

Herald Tribune



PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

Paris, Saturday-Sunday, February 21-22, 1998

No. 35,761



Eric Draper/The Associated Press

Lipinski's Ode to Joy

U.S. Star Makes Olympic History at Age 15

By Amy Shipley
Washington Post Service

Including Lu Chen of China, the surprise winner of the bronze — were overcome with emotion and wept as they took their bows.

Lipinski, two months younger than Sonja Henie was when she won the Olympic gold medal in 1928 at 15 years and 10 months, took off running elatedly after striking the finishing pose in her program. Lipinski also grabbed her head, stomped a foot and shook her fists as flowers and stuffed animals from the crowd rained on the ice.

"I went out and had a great time," Lipinski said. "I didn't think about winning. I didn't think about beating anybody. I didn't want to come off the ice disappointed. I was so relieved to

See GAMES, Page 20

Sinn Fein Is Suspended From Talks for 2 Weeks

Adams Urges Calm After British-Irish Move

By James F. Clarity
New York Times Service

DUBLIN — The Irish Republic and Britain on Friday suspended Sinn Fein, the political wing of the Irish Republican Army, from the Northern Ireland peace talks.

The two governments, sponsors of the talks, in an obvious move to fend off violent reactions to their decision among Roman Catholics in the British province of Northern Ireland, said the suspension would last only until March 9. The talks will proceed Monday in Belfast without Sinn Fein.

Gerry Adams, Sinn Fein's leader, called for calm among his supporters.

The decision came despite Sinn Fein's insistence, in a court action in Dublin, that they were being unjustly treated — that the governments failed to prove their charge that the IRA had been responsible for the killing of two civilians in Belfast last week.

See ULSTER, Page 7

White House Hazard: Huge Legal Bills

Some Aides Find Working for the Clintons Is an Expensive Proposition

By Adam Nagourney
New York Times Service

WASHINGTON — Margaret Williams, the former chief of staff to Hillary Rodham Clinton, says she avoids reading the news from Washington these days.

Every time Ms. Williams, who is trying to live unnoticed in Paris, learns of another White House friend going before another grand jury, it reminds her of what binds her and dozens of other Clinton associates to this administration: huge legal bills.

And it is not only high-level aides like Ms. Williams. From presidential counselors to secretaries, from press officers to wine stewards, employees in the first five years of the Clinton White House have been overwhelmed with often massive legal bills as they deal with the varied inquiries into the Clintons' personal and business affairs.

As a result, they have set up legal defense funds, borrowed money from parents and the White House credit union and depleted personal savings accounts as they try to pay for lawyers to represent them.

Starr's 'prosecutorial zeal' is criticized on two fronts. Page 3.

President Bill Clinton's allies announced Wednesday that they would create a legal defense fund to help the first family pay off legal bills that are now approaching \$3.2 million. While

See FEES, Page 7

By Seth Fairson
New York Times Service

SHIJIAZHUANG, China — Inside an arched entranceway to the sprawling headquarters of North China Pharmaceutical Group, a display of oversized photographs points to the political connections that created and then nourished this drug-making giant for 40 years.

Deng Xiaoping, the paramount leader who died last year, is pictured visiting this gritty industrial city in 1958, the year the factory opened. President Jiang Zemin is shown giving his official blessing to North China in 1991. Despite a disastrous record of half-baked industrial programs over the years, politics still dominate big business in this country.

North China's shrine to politics and its dusty

grounds have the look of a bygone era. Yet this company is being celebrated as a model: It was recently selected by Beijing as one of six prized companies that the nation's leaders hope to build into world-class industrial conglomerates, a project they have made a cornerstone of the nation's economic policy.

Despite the spectacular collapse of Asian economies in recent months — including the South Korean model that China's leaders most admired — Beijing is pushing forward with a plan to create a stable of big conglomerates, handpicked by the nation's leadership, that can compete in the international marketplace.

Essentially, China's large industry is trying to catch up to a standard that has just proved obsolete. But like an ocean liner that cannot stop easily even when an iceberg is sighted ahead, China's policy of

state-directed growth for large industry appears likely to go forward.

China's leaders are proceeding into the 21st century with a plan inspired by the *chaebol*, the South Korean conglomerates that had their heyday in the 1980s and earlier in the '90s. Chinese officials were mesmerized by the way Samsung Group and Hyundai Corp. leaped into the international marketplace, and they hope Chinese conglomerates can do the same in the coming decade.

They were particularly impressed by the connections between South Korean business leaders and politicians, and maintained that the South Korean model, applied to China, would allow the Communist Party to continue to dominate decision-making in the country's key businesses.

Some economists argue that the Asian financial

crisis is a blessing for China because it has highlighted the dangers of excess debt and overdiversification. Warned by example, leaders in Beijing are more likely to nurture their own conglomerates more carefully.

Yet in the long term, the enmeshing of politics and business — so devastating to other Asian nations in recent months, and so prevalent in China — may spell trouble. When loans, tax breaks and other forms of government support are given on the basis of political and personal considerations, as they have been for decades in China, structural problems are virtually guaranteed.

"Mixing government and business in China is unavoidable at this stage," said Shawn Xu, an economist at Merrill Lynch & Co. in Hong Kong.

See CHINA, Page 5

Annan Is 'Reasonably Optimistic'

UN Chief in Baghdad For Last-Ditch Talks, Beginning With Aziz

By Richard L. Aronoff
Special to The Herald Tribune

BAGHDAD — Kofi Annan, the United Nations secretary-general, flew into Baghdad on Friday and said that he had a "sacred duty" to try to defuse Iraq's standoff with the UN over weapons inspection.

Mr. Annan faced the task of persuading Iraq to give UN inspectors enough freedom to satisfy the demands of the international community and so avert an onslaught from the biggest U.S. strike force assembled since the Gulf War against Iraq in 1991.

A spokesman for the secretary-general said that Mr.

For the Arab world, talk of "collateral damage" sums up the poverty of U.S. policy. Page 7.

Annan had been encouraged by Iraq's cooperation with a UN technical team that mapped eight so-called呈 sites earlier this week.

"The secretary-general sees the level of cooperation that the government gave to the technical team as significant, so in a sense we are off to a good start," said the spokesman, Fred Eckhard.

Mr. Annan was met at Baghdad's Saddam International Airport by the deputy prime minister, Tariq Aziz, and the foreign minister, Mohammed Saad Sahaf.

"I hope I will leave Baghdad with a package that will be acceptable to all," Mr. Annan said. "I'm reasonably optimistic that we will find a peaceful solution."

Mr. Aziz said: "We are going to enter into constructive discussions about the current situation and I share the optimism of the secretary-general about the outcome."

"Iraq wants a balanced and fair solution that preserves the sovereignty, dignity and national security of Iraq as well as the implementation of UN resolutions."

A UN official in Baghdad said that Mr. Annan would begin talks with Mr. Aziz on Saturday morning and that an appointment with President Saddam Hussein would be scheduled if the initial meetings went well.

While Mr. Annan's advance team and other UN officials assume such a meeting will take place, they are being cautious about details.

Changing his plans to leave Sunday night, Mr. Annan will stay until Monday to discuss Iraq's oil-for-food deal with the UN, a spokesman said.

Also Friday, Secretary of State Madeleine Albright advised the families of U.S. officials to leave Israel and Kuwait, which might be targets for reprisals by Iraq.

The United States has not received "intelligence of an imminent threat" against Kuwait or Israel by Iraq but is advising Americans to leave to ease their "anxieties," said the State Department spokesman, James Rubin.

He said there was only a remote possibility that Iraq would react to U.S. bombing by attacking Israel or Kuwait.

Mr. Annan continues to say that he is guardedly

See IRAQ, Page 7



Paul Hackett/The Associated Press

Tokyo's Stimulus Plan Falls Flat

'A Lot of False Hopes' in Trying to Revive Economy

By Sheryl WuDunn
New York Times Service

would throw in a bone," said Peter Morgan, an economist at HSBC Securities Japan Ltd. "There were a lot of false hopes."

American officials have been particularly critical of Japan's reluctance to take more aggressive steps to stimulate its economy, and on Thursday, Treasury Secretary Robert Rubin suggested that tax cuts should be considered in Japan. The government here

Japan could get a chilly reception at the Group of Seven meeting this weekend. Page 9.

has already announced a one-time income tax cut worth \$15.7 billion, but there have been calls for that to be extended on a more permanent basis.

Finance ministers from the Group of Seven are meeting this weekend in London, and the stagnant Japanese economy is likely to be a major topic of discussion.

Plagued by economic stagnation, a banking crisis and a series of corruption scandals, Japan is trying to push its economy forward, while spending as little

See JAPAN, Page 5

Experts Invited by Iraq Back UN Claims on Weapons

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — Two groups of experts from nine countries have endorsed recent claims by the United Nations that Iraq could have a clandestine stockpile of deadly chemical arms and has not met key requirements for disclosing all data on its weapons of mass destruction.

The experts reached their conclusions after holding seminars in Baghdad earlier this month at the request of the Iraqi government, which apparently expected that the panelists would endorse its claims to have eliminated all its chemical arms and ballistic missile warheads.

Instead, the panelists have lent fresh support to the notion that the task of inspecting and eliminating Iraqi weapons of mass destruction is far from over. That contention has formed the backbone of U.S. and allied demands that Iraq allow unfettered access to UN inspectors, as provided for in a 1991 resolution by the Security Council, a demand that Iraq is refusing to meet.

The panels did two things, said Charles Duelfer, deputy chairman of the UN Special Commission for the arms inspections. They demonstrated to a wide range of international experts the depth and seriousness of the problems that remain to be resolved. Secondly, during the course of the work in Baghdad,

there were some new questions raised about the information that Iraq has already provided.

He explained that in particular, "there is more uncertainty now about the quantity and disposition" of the missile warheads Iraq made to carry poison gases and germ weapons.

One of the panels was convened to assess an Iraqi claim that its scientists never produced a large quantity of the nerve agent VX because of technical difficulties at its poison gas factories. In its report, which was sent

Thursday to the Security Council, the panel called the Iraqi claim "not credible" and without "technical

See WEAPONS, Page 7

AGENDA

Taiwan Opens Markets to U.S. Goods

WASHINGTON (AFP) — The United States and Taiwan have reached an agreement that greatly expands access to Taiwanese markets for American agricultural products, services and industrial goods, the U.S. Trade Representative Charlene Barshefsky said Friday.

Hunger Hormones Feed Hope for a Drug

Scientists in Texas say they have identified two hormones that tell the brain it is hungry and, in the hope of finding new weight-loss drugs, have begun to look for a substance that can block the hormones' activity.

The hormones, two closely related proteins called orexin-A and orexin-B, were discovered in rats but are thought to be present in all species. The findings may make it possible to design drugs to treat obesity and anorexia. Page 2.

The Dollar		
New York	Friday 8:4 P.M.	previous close
DM	1.8213	1.8163
Pound	1.638	1.6372
Yen	127.955	126.025
FF	6.116	6.088
The Dow		
	Friday close	previous close
+38.36	8413.94	8375.58
S & P 500		
change	Friday 8:4 P.M.	previous close
+5.93	1034.21	1028.28

Books	Page 8
Crossword	Page 18
Opinion	Page 6
Sports	Pages 18-21

The Intermarket	Page 4
The IHT on-line	www.iht.com

Seeking a Remedy for Its Industrial Woes, the Chinese Think Big

By Seth Fairson
New York Times Service

SHIJIAZHUANG, China — Inside an arched entranceway to the sprawling headquarters of North China Pharmaceutical Group, a display of oversized photographs points to the political connections that created and then nourished this drug-making giant for 40 years.

Despite the spectacular collapse of Asian economies in recent months — including the South Korean model that China's leaders most admired — Beijing is pushing forward with a plan to create a stable of big conglomerates, handpicked by the nation's leadership, that can compete in the international marketplace.

Essentially, China's large industry is trying to catch up to a standard that has just proved obsolete. But like an ocean liner that cannot stop easily even when an iceberg is sighted ahead, China's policy of

state-directed growth for large industry appears likely to go forward.

China's leaders are proceeding into the 21st century with a plan inspired by the *chaebol*, the South Korean conglomerates that had their heyday in the 1980s and earlier in the '90s. Chinese officials were mesmerized by the way Samsung Group and Hyundai Corp. leaped into the international marketplace, and they hope Chinese conglomerates can do the same in the coming decade.

They were particularly

A Revolt in Belgrade: Passengers Vent Anger on the Buses

By Chris Hedges
New York Times Service

BELGRADE — Milos Javanovic, a city bus driver, climbed into his worn vinyl seat, turned the key to unleash a blast of black diesel smoke and glanced at the dials on his dashboard, none of which worked. He nursed the 17-year-old bus into traffic, ignoring a high-pitched squeal from the brakes, and began another day's work, for which he would be paid weeks late.

The bus was packed with people clinging to broken handgrips as the vehicle lurched from side to side. Suddenly Mr. Javanovic heard a familiar argument.

"I have no money for bread and you want me to pay?" shouted a middle-aged woman at a young conductor, who seemed to shrink under the onslaught. "You want me to give you money for a ride on this piece of garbage?"

"Listen, lady!" shouted Mr. Javan-

ovic, "I have not received my salary since December. Just pay the man the three dinars" (30 cents).

"Three dinars for your mother!" the woman fired back.

The bus erupted in applause and cheers. Other passengers also began to express their views about Mr. Javanovic's mother. The driver pulled over, cut the engine and stepped out for a cigarette. When he climbed back on, minutes later, there was an uneasy truce. But no one paid the fare.

The long decline of Belgrade's bus and tram system reflects a sharp deterioration in the living standards in Serbia and Montenegro, the two remaining republics of Yugoslavia. It also illustrates a deep alienation from the authoritarian government of the Yugoslav president, Slobodan Milosevic, who was the president of Serbia.

The system, where doors fall off moving vehicles and maintenance crews cannibalize buses to keep a di-

minating fleet of 800 vehicles on the road, decided this month that its sorry finances might be improved if passengers paid for the service.

But the passengers have not proved compliant, and there is a war on the city streets that the transport system seems to be losing.

The transport system is out of control, like the country is out of control.'

"I am afraid," said Milena Djurdjevic, who stood in the small dispatch room in Republic Square for her first day of work as a conductor. "I am afraid of the passengers."

Radmila Kostic peered out from her wooden ticket booth where she was stirring a cup of coffee. In an eight-hour shift, she said, she rarely sold more than

three dozen tickets, and nearly all were \$1.50 tickets good for six rides.

"People buy the tickets for six rides and keep them in their wallets for a year," she said. "If they are checked, they can say they paid for the ride. These are the passengers who have a conscience."

"When the war started, we were told to stop collecting fares," said Mrs. Kostic. "The government was desperate to buy social peace. Now, strapped for cash, the government is trying to get funds, but we have not had conductors on the buses for years. The transport system is out of control, just like the country is out of control."

There have been several beatings of conductors by irate passengers. Most conductors, including those who ride special buses with signs in the windows demanding that all passengers buy a ticket, prefer not to press their requests.

"It is a lot safer and wiser just to let people be," said a conductor on the 27E bus who refused to give his name. "I

just go along for the ride." Passengers are fiercely unapologetic.

"I was supposed to get \$55 a month maternity leave for a year and have not received a cent since last March," said Karmen Todorovic, a city hospital nurse, "and now the government wants people to pay? Forget it."

The passengers around her began to share catastrophe stories about the buses, including a gruesome tale of a floor that fell through last year: One passenger was killed and another's legs were severed.

"Here is how I define a good driver," said Gisela Vukovic. "If the door falls into the street while we are driving, which has happened to me, and he keeps going and gets us home, he is a good driver. If he stops and makes a fuss about it, he is a bad driver."

She added, "We were on a bus a few weeks ago that caught fire. I think most of us agreed that, in the case of a fire on the bus, it is safer to get off."

BRIEFLY

Italian Probe Cites Flight-Plan Detour

ROME — Failure to follow the flight plan is the principal reason a U.S. Marine jet severed a cable, sending 20 passengers to their deaths, an Italian Air Force investigation has concluded, according to Italian news reports Friday.

The ANSA press agency quoted General Vincenzo Campomori, head of flight security for the Italian Air Force, as saying a report prepared by a seven-member investigative committee left no room for doubt.

"This pilot flew in substantial deviation from the flight plan and the rules, and this was the fundamental cause of the accident," General Campomori said. (AP)

Slovakia to Hold April Referendum

BRATISLAVA, Slovakia — President Michal Kovac on Friday announced a re-run on April 19 of a referendum last May on changing the method of selecting a new president to a direct vote of the people.

Mr. Kovac's move comes after last week's ruling by the constitutional court that the government of his arch foe, Prime Minister Vladimir Meicar, had acted unlawfully when it thwarted a referendum on the issue last year.

"The right of citizens to take part in a referendum which was called on March 13 last year remains valid," Mr. Kovac said, adding that "A re-run will allow citizens to fulfill this right and therefore it was my duty to set it." (Reuters)

Pope Sees Cardinal Named in Scandal

VATICAN CITY — Pope John Paul II met Friday with an Austrian cardinal implicated in a sex scandal now under Vatican investigation.

The Vatican announced earlier this month that it was sending inspectors to the Goettweig abbey in Austria to look into charges that Cardinal Hans Hermann Groer had sexually molested boys.

His successor, Archbishop Christoph Schoenborn, whom the Pope will elevate to cardinal on Saturday, told reporters in Rome that he hoped Cardinal Groer had "clarified" things during his audience with John Paul. The Vatican made no statement about what was said in the meeting. (AP)

Danish Challenger Predicts 'Yes' to EU

COPENHAGEN — Uffe Ellemann-Jensen, the Danish opposition leader, tried Friday to allay fears that Danes would vote "no" in a European Union referendum if he won the March election and became prime minister.

"I will be able to get a 'yes' in the referendum," the Liberal Party leader told a news conference.

"The probability of a 'yes' will be even bigger with me as prime minister than with Rasmussen," he said, referring to the Social Democratic incumbent, Poul Nyrup Rasmussen.

On Thursday, Mr. Rasmussen called the election for March 11, before the May 28 referendum. (Reuters)

Stari's 'Zea'

S. and Iran
leaders Re-establish Co

A Hormone for Hunger Feeds Hope of New Drugs

Discovery May Help Treat Obesity and Anorexia

By Thomas H. Maugh II
Los Angeles Times

LOS ANGELES — Scientists in Texas say they have identified two hormones that tell the brain it is hungry, a discovery that may make it possible to design drugs to treat obesity and anorexia.

The hormones, discovered in rats but thought to be present in all species, respond to metabolic signals, such as low levels of sugar in the blood, by stimulating appetite.

The researchers, who were to announce the discovery Friday in the journal Cell, are already looking for drugs that can block the hormones' activity, in the hope of finding effective new weight-loss drugs. The paper's publication is expected to spur more activity at drug companies searching for a magic bullet for obesity.

But Michael Schwartz of the University of Washington and the Puget Sound VA Health Care System cau-

tioned: "We have seen other hormones that looked good and didn't pan out. Many groups around the world will start looking at these to try and figure out if they really are important or not."

The discovery began when the research team led by Masashi Yanagisawa of the Howard Hughes Medical Institute at the University of Texas Southwest Medical Center in Dallas stumbled across two receptors in cells from the lateral hypothalamus of rat brains. Receptors are sites on the cell surface that bind specific molecules, such as hormones.

These were called orphan receptors because nobody knew what binds to them. Because the lateral hypothalamus is the portion of the brain that is known to control appetite, however, it seemed reasonable that the receptors would be involved in that process.

The team ground up large quantities of rat brain and fished through it to find molecules that would bind to the receptors. They eventually isolated two closely related proteins called orexin-A and orexin-B. Their structures, Dr. Yanagisawa said, are unlike any hormones previously known.

When the Texas team injected small quantities of the hormones into the brains of rats, the animals ate voraciously, consuming eight to 10 times the normal amount of food in the first hour or two. When the team starved rats for a day, larger than usual amounts of the hormones built up in the hungry ani-

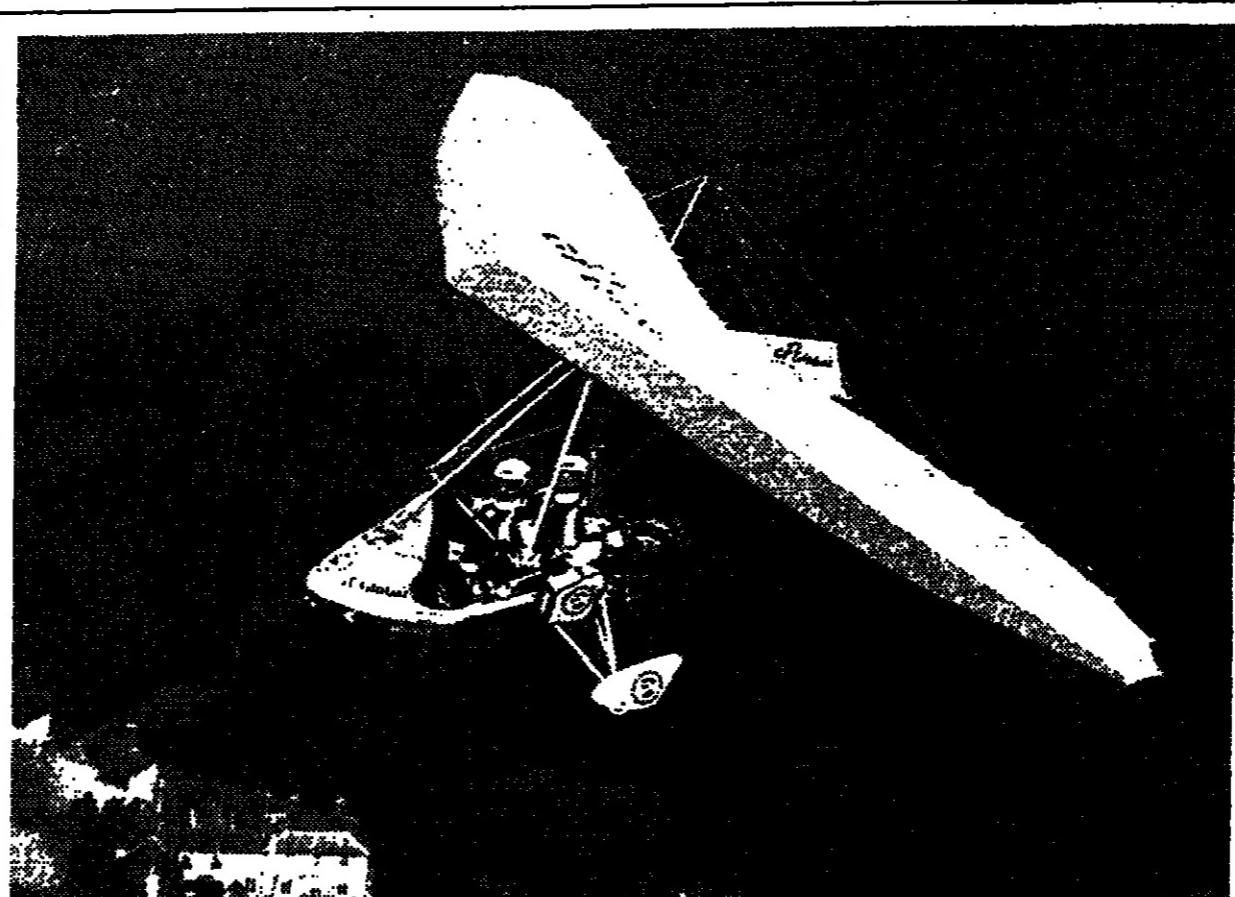
mals' brains.

"We now believe that orexin is one of the important pathways in the regulation of hunger," Dr. Yanagisawa said.

The researchers also identified the gene that serves as a blueprint for production of the two hormones. That gene orders the production of a larger protein called prepro-orexin. Enzymes within the cell then cut off different sections of prepro-orexin to produce either orexin-A or orexin-B.

The challenge now is to find drugs that can mimic or block the new hormones' effects. Mimicking drugs could be used in treating anorexia, a disorder in which people do not eat enough and become emaciated. The drugs could also be used to counteract the wasting effects of such diseases as cancer and AIDS.

The real gold mine would be in finding drugs that block the orexins' effects, thereby reducing appetite. More than 58 million Americans, a third of the adult population, are classified as obese.



UP AND AWAY — Keith Reynolds, in front, and Brian Milton flying their ultralight aircraft over the British countryside on Friday. They plan to start a trip in March and hope to fly around the world in 80 days.

Georgian Leader Warns of 'Civil War'

Armed Nationalist Band Refuses to Release 4 Kidnapped UN Monitors

— Agence France-Presse

JIKHASKARI, Georgia — President Eduard Shevardnadze of Georgia warned about the possibility of civil war Friday as a hostage crisis in this isolated mountain village moved into a second day.

Nationalist gunmen, who have threatened to kill the hostages they are holding in a house here, refused to release them after a night of face-to-face negotiations with Security Minister Jamal Gakhokidze, officials said.

The captives are four United Nations military observers who were monitoring a cease-fire between Georgian troops and Abkhazian separatists. They and their driver were seized Thursday 20 kilometers (12 miles) away in the western Georgian town of Zugdidi.

In his first comment since the crisis began, Mr. Shevardnadze went on state television to warn the gunmen that he would not tolerate "civil war."

"Everyone should know there is no place in Georgia for civil war," he said. "Any action against Georgia serves only to bring the Georgian people together."

"There is no place for chaos. I know that among them are people who took part in the attack against me," he continued, referring to an assassination attempt on Feb. 9, when his motorcade was attacked with rockets and gunfire.

A presidential aide, Levan Alekashidze, told the Icar-Tsats press agency that "an operation to free the Zugdidi hostages should take place within 24 hours."

It was not clear if that meant security forces would storm the house.

About 20 heavily armed men are thought to be holding the UN observers — a Swede, a Czech and two Uruguayans — their driver, the local mayor and his family in the mayor's home.

In Prague, the news agency CTK said that the Czech captive had telephoned his embassy in Moscow to report that all four observers were unharmed.

Heavily armed police, Interior Ministry special forces and Russian soldiers from the Abkhazian cease-fire force were manning a security cordon 200 meters from the mayor's house. Villagers living within a kilometer of the house were moved out.

Security has been beefed up across the country, notably in the Zugdidi region, where checkpoints were manned by around 20 soldiers, officials said.

The captors are demanding that the authorities release all jailed supporters of the late president Zviad Gamsakhurdia, including those arrested following the attempt on Mr. Shevardnadze's life.

Mr. Gamsakhurdia, ousted in a coup in January 1992, died in 1993. He was replaced as Georgian leader by Mr. Shevardnadze, whose legitimacy the "Zviadists" have never recognized.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Legend: Unseasonably Cold; Unseasonably Mild; Heavy Rain; Heavy Snow; Heavy Fog.

Map: AccuWeather, Inc. ©1998 - http://www.accuweather.com

Asia

Today	High	Low	Wind	Tomorrow	High	Low	Wind
CFP	CFP	CFP	CFP	CFP	CFP	CFP	CFP
Almaty	30.61	23.77	SW	30.61	23.77	SW	SW
Bangkok	30.76	24.75	SE	30.76	24.75	SE	SE
Bonny	30.98	14.67	W	30.98	14.67	W	W
Calcutta	20.82	14.67	NE	20.82	14.67	NE	NE
Chennai	31.85	23.71	SW	31.85	23.71	SW	SW
Ho Chi Minh	22.71	14.87	SW	22.71	14.87	SW	SW
Hong Kong	18.94	13.65	W	18.94	13.65	W	W
Islamabad	18.65	14.41	NE	18.65	14.41	NE	NE
Karachi	26.79	19.53	SW	26.79	19.53	SW	SW
Kuala Lumpur	33.91	23.73	SW	33.91	23.73	SW	SW
Manila	24.79	22.71	SW	24.79	22.71	SW	SW
Mumbai	32.98	24.75	SW	32.98	24.75	SW	SW
Phnom Penh	35.95	24.75	SW	35.95	24.75	SW	SW
Pretoria	30.91	17.62	SW	30.91	17.62	SW	SW
Rangoon	32.91	24.75	SW	32.91	24.75	SW	SW
Shanghai	23.24	14.44	W	23.24	14.44	W	W
Singapore	28.84	24.75	SW	28.84	24.75	SW	SW
Taipei	19.58	13.65	W	19.58	13.65	W	W
Tokyo	19.58	13.65	W	19.58	13.65	W	W
Vientiane	34.93	17.62	SW	3			

THE INTERMARKET

++ 171 420 0348

FRIENDSHIPS



EDITH BRIGITTA FAHRENKROG

The INTERNATIONAL PARTNERSHIP AGENCY IN EUROPE

MATCHING THE RIGHT PARTNER IS MY BUSINESS.

PERSONAL INDIVIDUAL ASSISTANCE IS MY SERVICE.

CONFIDENCE IS MY HIGHEST PRIVITY.

HEAD OFFICE: FRANKFURT, D-6031 FRANKFURT/MAIN, ECKERBACHSTR. 51, GERMANY

TEL: +49-69-43 1979 - Fax: +49-69-43 20 65

MAYFAIR OFFICES: MON-FRI 9 A.M. - 6 P.M.

LONDON W1 SPO, MAYFAIR 10 STRATTON STREET

TEL: +44-171-46 85 43 - Fax: +44-171-5 46 85 70

PARIS OFFICE: MON-FRI 9 A.M. - 6 P.M.

PARIS 75008, 72 RUE DU FAUBOURG-ST-HONORE

TEL: +33-1-40 07 86 87 - Fax: +33-1-40 07 80 40

U.S.A. OFFICE: NEW YORK, NY 10109, 730 FIFTH AVENUE, 9TH FLOOR

TEL: (1) 212-333-8785 - Fax: (1) 212-333-8720

PERSONAL APPOINTMENTS ARE ALSO POSSIBLE IN:

ROME - GENEVA - VIENNA - HONG-KONG

LOS ANGELES - SINGAPORE - HONG-KONG

A FANTASTIC CHARMING SPANISH BEAUTY -

INHERITED FROM A YOUNG SPANISH FAMILY, SHE HAS A GRACEFUL

ELEGANCE AND ENCHANTING NATURE. A BRIGHT PERSONALITY FROM AN

UPPER CLASS TRADITIONAL FAMILY. WITH AN EXCELLENT EDUCATIONAL

BACKGROUND, DECOR IN INTERIORS, SEVERAL LANGUAGES, ETC.

EXCELS IN COOKING, SWIMMING, RIDING, ETC. ETC.

A VERY COMPOSITOR AND SOPHISTICATED WOMAN. SMART, VIVACIOUS AND WITH A

GREAT SENSE OF HUMOR. A CHARISMATIC BEAUTY WHO WANTS TO SHARE GREAT

ASPECTS OF LIFE WITH THE RIGHT PARTNER.

EUROPEAN ARISTOCRAT

A FANTASTIC YOUNG AND BEAUTIFUL ITALIAN GENTLEMAN. OLD ARISTOCRATIC

FAMILY IS BASED IN THE NORTH OF ITALY AND HIS WONDERFUL ISLAND

IN THE MEDITERRANEAN SEA, ETC. HE HAS AN EXCELLENT EUROPEAN HIGH SCHOOL

EDUCATION, A GRADUATE IN LAW, SEVERAL LANGUAGES, ETC.

A US BORN CHARMING MAN WITH LOTS OF CHARM AND ELEGANT

MASCULINE AND DARK HAIR APPEARANCE ACTIVE AND DYNAMIC, WITH A BIG

HEART, GENEROUS AND CONSIDERATE. A MAN OF FASCINATING TEMPERAMENT,

TENACIOUS, COURAGEOUS, SPORTS ACTIVITIES AND HE IS VERY ENGAGED IN

HUMANITARIAN PROJECTS HE WISHES TO OFFER THE BEST OF EVERYTHING TO THE

WORLD.

A YOUNG, SMART AND ENCHANTING DUTCH BEAUTY -

A CHARMING AND BEAUTIFUL SUNNY BEAUTY

LATE 20'S, WHO LOVES LIFE. SHE IS VERY SUCCESSFUL IN HER

PROFESSION, UNIV GRADUATE, AN ADMIRABLE PERSONALITY, FULL OF VITALITY,

ENTHUSIASTIC AND WITH A LOT OF CHARMS. SHE WAS WORKING AS A SECRETARY

AND IS NOW WORKING AS A SECRETARY AFTER HAVING BEEN A CHARMING

FIGURE. A SOPHISTICATED LADY WHO LOVES CULTURE AND SPORTS ALSO A PERFECT

HOSTESS. GRANDE CUISINE FRANCAISE AND VERY WELL ORGANIZED. AN

ENCHANTING LADY, GENEROUS, TENDER AND WARM-HEARTED WHO CAN LIVE

EVERWHERE WITH THE RIGHT PARTNER.

PLEASE CALL

PROMESS INTERNATIONAL

The new Parisian Address in Quality encounters
38, rue de Bassano 75008 Paris (M²) George V

Top of the month

Margarita-explosive cocktail

1/3 troubling sensuality - 1/3 audacity - 1/3 refined elegance

A pinch of languor, zest of reserve long blonde hair;

blue eyes, 32 years old. Translator.

A beauty to dream of.

Promess International: 33 (0) 1 44 31 20 12

NANNIES/DOMESTICS

IMPERIAL NANNIES

BRITISH NANNIES GOVERNESSSES BABY NURSES

Personally vetted, highly experienced and professional with excellent references.

AVAILABLE NOW

Platz der Republik, Berlin Day/Night

Tel: +44-171 589 6132

Fax: +44-171 589 0992

25 Thorne Street, LONDON SW1 2LH (UK)

STAFF OF DISTINCTION

Qualified and staff immediately available. Over 1000 highly qualified candidates are here to solve your staffing needs.

Call now to discuss your requirements.

COUPLES - HOUSEKEEPERS

HJ/NANNIES - CHEFS COOKS

BUTLER/MAIDS - ESTATE MANAGERS

No Referrals Fee - 24 hours a day, 365 days a year.

Tel: +44-171 589 5494/5

Fax: +44-171 589 0995

25 Thorne Street, LONDON SW1 2LH (UK)

ITC CONSULTANT

International staff of exception for exacting employees

Worldwide placement with European references

Governess - Tutors - Nannies

Butler - Maid - Chef - Bodyguards

No negotiation fee. Established since 1986

Tel: +44-181 823 80 00

Fax: +44-181 823 80 01

72, St Honore, 75008 PARIS

Subsidiary in CANNES

Cinderella

First Class agency est. 1982

Specialists in: Babysitting, Childcare, Nannies, Maids, Housekeepers, etc.

Nannies - Maids - Babysitters - Housekeepers

All staff interviewed - qualifications and references verified.

Tel: +44-171 589 3035

E-mail: cinderella@btconnect.com

Domestic Positions Available

WESTMINSTER NANNIES INTERNATIONAL

Specialists in the recruitment of Nannies - Governesses - Mothers' Help - Maternity Nurses - Housekeepers

We provide an efficient and professional service

Tel: +44-171 589 0982

Fax: +44-171 589 0953

E-mail: gsl@westminsternannies.com

Domestic Positions Available

NYC FRENCH AMERICAN FAMILY

looking for a maid/nanny to care for

2 children, 4 yrs & 15 mos. Responsible setting

Non smoking. Fax: 1-212-421-7475 or 33 44 38 2474.

DOMESTIC STAFF-Highest caliber experience

Couples, Butler/Babysitter Managers, Nannies, Cooks, Housekeepers, etc. & F&S

All staff are fully experienced in the care of infants & young children & provide a very professional & caring service

TEL: +44-171 589 6265

Fax: +44-171 589 0995

25 Thorne Street, LONDON SW1 2LH (UK)

MONROE NANNIES

KNOW INTERNATIONALLY FOR THE VERY BEST

NANNIES/MATERNITY NURSES

GOVERNESSES/MOTHER'S HELPS

All staff are fully experienced in the care

of infants & young children & provide a

very professional & caring service

TEL: +44-171 589 6265

Fax: +44-171 589 0995

25 Thorne Street, LONDON SW1 2LH (UK)

Domestic Positions Wanted

EXPERIENCED NANNY with excellent

references is looking for top position

with infants or maternity. Please call

Paris 33 (0) 1 43 03 42

YOUNG MAN sees job: Housekeeping, Ironing, Gardening, 7 years experience, references. Will consider any offer. Tel +33 06 12181278 or (0) 325 5468

Fax: +33 06 12181278 or (0) 325 5468

E-mail: christian@f2f.com

BELGRAVIA

HIGH SOCIETY

Worldwide Executive Escort Service

LONDON ZURICH BRUSSELS

PRAGUE GERMANY VIENNA

HONG KONG BOMBAY

HONG KONG

E-mail: web@f2f.com

SWITZERLAND-GERMANY-BELGIUM

+31-20-427 28 27

Zurich-Basel-Berne-Lausanne

Freiburg-Basel-Munich-Berlin

Brussels-Antwerp-Luxembourg

London-Paris-Lyon

LONDON: 0171-787 6606

COSMOS Escort Agency - Credit Cards

***** EUROCONTACT INT'L *****

PARIS STOCKHOLM-ZURICH

RIVERA-BRUSSELS-LONDON-VIENNA

MILAN-ROMA-GERMANY & PRAGUE

COPENHAGEN-HONG KONG

LONDON: 0171-212 0431

SELECTIVE ESCORT SERVICE

LONDON: 0171-212 0431

FLORENCE-GENEVA *

SELECTIVE ESCORT SERVICE

LONDON: 0171-212 0431

FRIENDSHIPS

Benefit Int'l Photo Models

3 Shaftesbury St, London W1

London Tel: 0171 258 0000

NY USA Hdsp: 1-212-765 7896

OFFICE@INTL-ESCORTS.COM

ARISTOCATS Escort Service

Benefit Int'l Photo Models

3 Shaftesbury St, London W1

London Tel: 0171 258 0000

PAGE 4

INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, FEBRUARY 21-22, 1998

THE INTERMARKET

++ 171 420 0348

INTERNATIONAL HERALD TRIBUNE

THE INTERMARKET

EDITORIALS/OPTION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The Iraq Crisis

Annan's Trip

Diplomatic handicappers are not giving UN Secretary-General Kofi Annan much chance of resolving the Iraq crisis during his mission to Baghdad this weekend. But the shape of a plausible agreement, though largely unnoticed, can be found in inspection arrangements once accepted by both Iraq and the United States. If reconstituted and reaffirmed, they could give UN weapons inspectors the unrestricted access they must have, while honoring Iraq's claims of sovereign dignity at national palaces and other locations now off limits to inspection.

Such an arrangement defused an earlier crisis between Iraq and the UN. For a while it provided expanded access for UN inspectors, until Iraq eventually reneged on the agreement. Even so, it advanced the overall inspection effort at no meaningful cost. A similar deal would be acceptable to Washington today, for as long as Iraq fully honored its terms.

The earlier arrangement was reached in June 1996 when Iraq barred inspectors from Republican Guard quarters and other sites that Baghdad contended were sensitive to its security. Amid hints of American military strikes, the Security Council sent the chief inspector at that time, Rolf Ekeus, to Iraq to demand admission to the closed sites. To the surprise of many, Baghdad agreed in writing to grant unconditional access.

Mr. Ekeus achieved this by volunteering several face-saving concessions that did not compromise the inspectors' ability to do their work. He offered a

—THE NEW YORK TIMES.

America in a Box

As her question-and-answer session at the University of South Carolina approached in conclusion Thursday, Secretary of State Madeleine Albright objected. "I'm having so much fun!" she said. And no wonder. Compared with the crowd that had heckled her and two colleagues in Ohio on Wednesday, the USC audience was polite, respectful and under control. But some of the questions posed in South Carolina were just as sharp and skeptical.

The Ohio State University forum was a debacle of public relations, and the administration had only itself to blame. Secretary Albright, Defense Secretary William Cohen and National Security Adviser Sandy Berger proved less masterful than their boss at the give-and-take format of a town hall forum, but that was not the root of the problem. The administration is right to seek to explain its Iraq policy to the public, but it was wrong to stage a gimmicky, campaign-style rally for what is decidedly not a political, campaign-style issue.

Moreover, there was something unseemly about giving exclusive broadcast rights to the Ohio event to CNN as a way of reaching Saddam Hussein himself. At this stage of events, the administration should not be beseaching the Iraqi dictator or fitting its public relations campaign to his viewing schedule.

—THE WASHINGTON POST.

Politics on Ice

In Olympic events where artistry blends with athleticism, and performance cannot be measured in terms of points scored or time elapsed, there will always be an element of subjectivity in the decisions of the judges. Politics add an extra measure of volatility, especially in ice skating.

To this day, Linda Fratianne's coach remains convinced that European judges unfairly awarded the gold medal to an East German in 1980 despite the fact that Ms. Fratianne, an American, had captured both the short and long programs. Political motivations have been less obvious since the end of the Cold War, but the judging can be as inscrutable as ever.

In Nagano, the short program in pairs skating raised eyebrows when the U.S. team of Kyoko Ima and Jason Dunnigan skated flawlessly but placed fourth, while first place went to a Russian pair that flubbed a death spiral and third place went to a team that crashed on a jump. In the women's short program, the French judge favored the French skater Surya Bonaly with scores far above the marks of other judges, suggesting again that nationality counts.

—THE NEW YORK TIMES.

If Japan Won't Help Rescue Asia, China Might

By Robert G. Lees

TOKYO — The financial and economic crisis in Asia should be a great opportunity for Japan to assume a full partnership role with the United States in helping the region manage, and recover from, its problems.

Yet despite its huge stake in the economic health of East Asia, Tokyo's response has been surprisingly weak and limited.

In the latest of a long line of overwhelming Japanese "initiatives," the ruling Liberal Democratic Party on Friday unveiled a package of largely deregulatory measures to support the flagging economy and stock market.

But a draft of the package — released just hours before Finance Minister Hikaru Matsunaga was to leave for a crucial meeting of the Group of Seven nations on the Asian crisis — offered none of the fiscal stimulus spending urged by the United States and Asian countries.

Japan could have used the summit meeting of the Asia-Pacific Economic Cooperation forum, held in Vancouver in November, to take the lead in forging a consensus on how to approach the region's difficulties. Instead, Japanese leaders were all but invisible.

More recently, U.S. Deputy Treasury Secretary Lawrence Summers visited the region's hardest-hit countries to show Washington's support, and to encourage commitment to the painful reform and austerity measures pre-

scribed by the International Monetary Fund. How much more powerful the trip would have been if he had been accompanied by his counterpart from Japan's Finance Ministry.

Given that Japan accounts for 70 percent of East Asia's economy, it is clear that there will be no solution without Japanese leadership. The single most important contribution Tokyo could make would be to stimulate its moribund domestic economy in a significant way.

Increasing demand in Japan by cutting taxes, and by undertaking structural as well as regulatory reforms, would help not only Japanese businesses and consumers but the entire region. Such steps are long overdue.

Japan would translate into much-needed export earnings for companies throughout East Asia. In contrast, weak demand and a weak yen will make it difficult for the region to get back on its feet again.

Although Japan has significant economic problems of its own, it could act as a locomotive to pull its neighbors out of the morsel. Not only is Japan well positioned to act, as the region's largest lender and source of exports and aid, but it also has the most to gain from doing so.

Continued Japanese inaction is foolhardy at best and self-destructive at worst. It is highly unlikely that confidence will return to East Asia unless Tokyo takes the lead and stimulates, opens and reforms its economy in a meaningful way.

While Japan has failed to rise to the occasion, China, its rival for regional leadership, has been making all the right moves. Beijing has accepted the realities and responsibilities of being a full player in the global economy.

President Jiang Zemin's meetings with President Bill Clinton in Washington last October started the ball rolling. They showed China's willingness to assume a leadership and partnership role with the United States. Those ties were further cemented by follow-up meetings between the U.S. and Chinese leaders at the APEC summit meeting in Vancouver. And, when the financial crisis hit Thailand, China stepped forward with an aid package of \$1 billion.

But perhaps Beijing's biggest contribution to restoring economic stability to the region is not what it has done but what it has refrained from doing. China has demonstrated impressive restraint in not devaluing its currency, despite intense pressure to do so. Such a devaluation could be devastating for China's neighbors, triggering a further spiral of currency devaluations in the region.

When the Hong Kong stock market dropped precipitously and pressure on the Hong Kong dollar mounted, all eyes turned to Beijing. Again to its credit, China gave full support to the Hong Kong authorities in their successful defensive moves.

In fact, Beijing's behavior throughout the entire Hong Kong handover has been exemplary. Both the business and financial sectors of the former British colony could hardly have asked for more.

On the strategic front, at no time in recent memory has China seemed less of a threat to Southeast Asia. Beijing has been consolidating peace with its neighbors, including Taiwan. China has also increased the tempo of talks on its membership in the World Trade Organization by working toward required reforms.

As many East Asian countries stumble, this could be the defining moment for nations that aspire to leadership in the next century. Japan seems frozen. If this is true, who will lead Asia?

The writer is secretary-general of the Pacific Basin Economic Council, an association of senior business leaders representing more than 1,100 firms in 20 countries around the Pacific. He contributed this comment to the International Herald Tribune.

We Need to Face It: Innocent Iraqis Will Suffer and Die

By Stephen S. Rosenfeld

WASHINGTON — It seems a bit unpatriotic to bring up the subject of Iraqi civilian casualties just as the American military prepares for a second major retaliation against Saddam Hussein's depredations.

But it seems more than a bit evasive and hypocritical to park the subject until the war, if it comes, is over.

If the civilian toll troubles us Americans — and I think it does — better to look it in the eye and to address it before the event. Otherwise we come off as lacking the courage of our professed moral convictions.

Right now you can hear a certain ritual concern being expressed for the "collateral" civilian casualties likely to be suffered by Iraqis. Some of this concern is expeditiously political — a fear that Iraqi casualties will inflame other Arabs and burden the diplomacy of the war.

There is also a strain of humanitarian compassion at work.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration also must recognize that its difficulties in Ohio had something to do with its message, and not just with the ill-chosen medium. Mr. Clinton and his team have eloquently described the evils of Saddam Hussein and the dangers posed by his biological and chemical weapons.

Now you can hear a certain ritual concern being expressed for the "collateral" civilian casualties likely to be suffered by Iraqis. Some of this concern is expeditiously political — a fear that Iraqi casualties will inflame other Arabs and burden the diplomacy of the war.

This may be the best of a series of bad options at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds at the administration's disposal — or, as Mrs. Albright said Thursday, "while this may not be a peaceful solution, Mr. Clinton said, "but if it's necessary for us to act, I believe America will do what it always does: I believe it will unite." We think he's right.

But the administration is also at odds

ART

INTERNATIONAL HERALD TRIBUNE
SATURDAY-SUNDAY, FEBRUARY 21-22, 1998
PAGE 8

U.K. Museums Find Smaller Is Better *A Mini Show on Marco Zoppo*

By Souren Melikian
International Herald Tribune

LONDON — Pressed by necessity, leading museums in Britain are raising the art of the miniature-size exhibition to ever higher levels of perfection.

"Padua in the 1450s: Marco Zoppo and His Contemporaries," on view at the British Museum until April 13, surpasses even the marvelous Van Eyck show at the National Gallery. Riveting for its originality, which mixes small works in different media, it is enchanting for the elegance of its display, devoid of gimmickry and admirably lighted. The accompanying book written by curator Hugo Chapman, well written and well illustrated, is also a model of the genre at £9.99 (\$16).

The focus is on a deeply intriguing if shadowy figure of 15th-century art, Marco Ruggieri, known as Zoppo ("the lame one"), and on what is seen as his greatest drawing, which was acquired in 1995 by the museum for £445,000 with a £100,000 grant from the National Art Collections Fund. Zoppo, born in Cento near Bologna in 1432 or 1433, was an established "master" and "painter" by 1452, as shown by a document recording payment for restoring and gilding a wooden group of the Virgin and Child in the church of Santa Maria in Pieve di Cento.

In circumstances unknown, Zoppo left for Padua and entered Francesco Squarcione's studio. Apparently, the great man thought highly enough of his trainee to adopt him. A contract stipulated that Zoppo was to be paid living expenses, would receive full instruction and would inherit the master's possessions. Alas, the childless Squarcione belatedly discovered the joys of married life with a young widow who bore him a son, effectively wiping out Zoppo's hopes of ever inheriting.

Master and pupil embarked on a legal dispute, Squarcione demanding that Zoppo pay back the living expenses and even a fee for the tuition he had received. The arbitration panel decided on the contrary that Zoppo had to be compensated. Instead of the 20 gold ducats awarded to him, the pupil agreed to take himself elsewhere with paintings, reliefs, medals, studio props — all that was needed to set up his own studio. He departed for Bologna.

It is from about 1455, immediately after the dramatic break, that the sheet with drawings on both sides acquired by the museum was executed. These are the earliest known works by the artist. If the suggested date is right, he was astonishingly mature. The two drawings embody the characteristics that make Zoppo so unusual. The supremely sculptural treatment of the scenes is combined with a précieux, almost Mannerist style made

sweeter by unrestrained whimsy, surprising in religious subjects.

In "The Dead Christ Supported by Angels" on the recto, Jesus is shown as an athletic man with a disproportionately developed chest, his head hanging limply as plump putti somehow lower him into a sarcophagus. The contrast between the tragic figure and the moment central to Christian dogma — the Son of God who has offered himself as a sacrificial victim for the redemption of mankind — and the jumpy creatures is eerie.

The solemn setting in a barrel-vaulted Roman style monument enhances the quality of the atmosphere. This, however, also makes one wonder whether the artist was not profoundly acquainted with Middle Eastern reality. From Anatolia to Iran and Saudi Arabia, a number of ancient funerary monuments are carved out of mountain sides, as if their architectural facade was projecting from the rock. If the structure in Ancient Roman style stands for some such rock tomb in Herod's time, it would fit with the New Testament account according to which the body of Jesus was taken up to a cave and put in a tomb.

On the back of the sheet, the mix of tragedy, Renaissance refinement and laughter goes one step further. The subject of "Saint James on His Way to Execution," apparently based on a fresco painted by Mantegna in Padua, destroyed in 1944, is radically transformed by Zoppo's rendition. At the top of the Roman-style arch, putti are fighting or beating a dog, or playing. Most of the characters are bizarrely naked, in particular a man standing under the arch, making a grimace. To the right an improbable baroque pillar is topped by a chubby putto, spear in hand. Spoofery, bereft, is elevated to the level of fine art. It is made more striking by the inclusion in the show of Mantegna's dramatic preliminary study for "Saint James on His Way to Execution" and a few more sketches — of the dead Christ, a saint reading — terse and powerful.

WAS there a deliberately rebellious side to Zoppo? The "Rosebery album," so called because it was given by Lord Rosebery to the British Museum in 1920, contains 50 drawings on vellum. It is open to show a startling scene with two young men as voyeurs observing the sexual frolicking of young putti in the nude whose wings in the back do not turn them into angels. Another drawing reproduced in Chapman's book has an equally marked, if less crude homosexual connotation. Does this reflect ambivalent inclinations on the part of Zoppo — a married man with two children — or those of his patron, or perhaps both? We do not know.

Zoppo's spoofery was not confined to



Mantegna sketch of a saint reading, in Marco Zoppo show in London.

sneering compositions. There is a lighter touch to his profile bust of a woman with dreamy eyes wide open under her extravagant helmet executed with steely precision. The ear of the helmet is prolonged by a scrolling, horn-like element that unexpectedly ends with the profile of a frowning young man. From the visor, there rises the silhouette of a pug-nosed, irate-looking, bearded old dossier, like some genie let out of a bottle. The unconcerned lady looks fresh as a rose, falsely innocent in her transparent lace bodice artfully emphasizing rather than concealing her breasts. It is all done with meticulous care, in pen and brown ink on delicate white vellum.

One would hardly expect gravity from such a man. Yet the feeling is not alien to Zoppo, judging from the study of a kneeling saint with his hands joined in prayer. Deep furrows of anguish chisel the emaciated face. Light shimmers on the folds into which his drapery breaks as it is about to slip off. The sketch is as enigmatic in its severity as the spoofs.

One looks in vain for a clue in the context to his studies intelligently laid out in the form of contemporary drawings and bronze plaquettes. Among these, Virgin and Child between two candelabra has an ambiguous smile but this does not make it a cartoon. A fantastic plaque ascribed to Moderno was probably cast around 1490, some 12 years after Zoppo's death in 1478. It is intensely expressive with its mourners gesticulating or tearing their hair at the sight of the dead Christ but, again, there is nothing droll here.

The one painting in the show, "Virgin and Child" tentatively ascribed to Giorgio Schiavone, has a touch of Zoppo's perpetual amusement, but toned down by the exquisite painterly finish. Its authorship is not entirely clear, other than that the artist worked in the entourage of Squarcione. It adds a fitting conclusion to Zoppo's teasing elusiveness.

ARTS

auction sales IN FRANCE

DROUOT RICHELIEU
9, rue Drouot 75009 Paris - Tel: 33 (0)1 48 00 20 20

Monday, March 2, 1998
Rooms 5 & 6 at 2-15 p.m., 17th, 18th and 19th century
FURNITURE and OBJET D'ART - OLD FAIENCE &
PORCELAINE - ORIENTAL CARPETS collection of WALKING
CANES. Etude TAJAN 37, rue des Mathurins, 75008 Paris, tel:
33 (0) 1 53 30 30 30 - fax: 33 (0) 1 53 30 30 31. Web:
http://www.tajan.com - Email: tajan@worldnet.fr

In NEW YORK

MAXIM'S NEW YORK
680 Madison Avenue, New York

Saturday, March 7, 1998
At 10 a.m. & 2 p.m. Exceptional WINES from Maxim's Cellar, Paris (2nd sale). Sale organised with Morell & Company, Fine Wine Auction, 535 Madison Avenue, New York NY 10022 Tel: (212) 307 4200 - Fax: (212) 247 5242. For inquiries please contact in Paris Mrs. Catherine Yache at Etude TAJAN, 37, rue des Mathurins, 75008 Paris, tel: 33 (0) 1 53 30 30 30 - fax: 33 (0) 1 53 30 30 31. Web: http://www.tajan.com - Email: tajan@worldnet.fr. In New York Mrs. Kenny Maisonneuve at (212) 757 2468.

In GENEVA

VENTE SUR PLACE À CHAMBLEY, GENÈVE
Villa Grotta, 6, Chemin Champs-de-Béle

Monday, March 9, 1998
At 2:15 p.m. Mrs. Marc Grégoire's collection which embellished her property in Geneva (1st part) OLD MASTER PAINTINGS - PORCELAIN - FAIENCE - DINNERSWARE - GLASSWARE - CRYSTAL - FAR EASTERN ART - L. XV, L. XVI, EMPIRE, CH. X period FURNITURE and OBJETS D'ART.
At 5 p.m. Other sources MODERN and CONTEMPORARY PAINTINGS. Public viewing 6-8 March from 2 p.m. to 7 p.m. from the Minister M. René Panner - Hussier at Geneva - in the presence of M. Jacques TAJAN - Commissaire-Priseur-Asseur 37, rue des Mathurins, 75008 Paris, tel: 33 (0) 1 53 30 30 30 - fax: 33 (0) 1 53 30 30 31. Web: http://www.tajan.com - Email: tajan@worldnet.fr. For inquiries please contact Mrs. Catherine Yache.

**La Galerie Frank
KIRO URDIN**

February 7 to March 27 1998
14 rue des Pyramides 75001 Paris

Tel: + 33 (0) 1 42 60 65 13
Fax: + 33 (0) 1 42 60 03 72

CREDIT MUNICIPAL DE PARIS Modern & ancient paintings, furniture, art objects

AUCTION SALE

Thursday, March 5th, at 1:30 p.m.

On view:

Wednesday, March 4th from 9:30 a.m. to 4 p.m.

Thursday, March 5th, from 9:30 to 11:30 a.m.

Catalogue: 50 F on request

Rooms 5 & 6 at 2-15 p.m., 17th, 18th and 19th century
FURNITURE and OBJET D'ART - OLD FAIENCE &
PORCELAINE - ORIENTAL CARPETS collection of WALKING
CANES. Etude TAJAN 37, rue des Mathurins, 75008 Paris, tel:
33 (0) 1 53 30 30 30 - fax: 33 (0) 1 53 30 30 31. Web:
http://www.tajan.com - Email: tajan@worldnet.fr

In NEW YORK

MAXIM'S NEW YORK
680 Madison Avenue, New York

Saturday, March 7, 1998

At 10 a.m. & 2 p.m. Exceptional WINES from Maxim's Cellar, Paris (2nd sale). Sale organised with Morell & Company, Fine Wine Auction, 535 Madison Avenue, New York NY 10022 Tel: (212) 307 4200 - Fax: (212) 247 5242. For inquiries please contact in Paris Mrs. Catherine Yache at Etude TAJAN, 37, rue des Mathurins, 75008 Paris, tel: 33 (0) 1 53 30 30 30 - fax: 33 (0) 1 53 30 30 31. Web: http://www.tajan.com - Email: tajan@worldnet.fr. In New York Mrs. Kenny Maisonneuve at (212) 757 2468.

In GENEVA

VENTE SUR PLACE À CHAMBLEY, GENÈVE
Villa Grotta, 6, Chemin Champs-de-Béle

Monday, March 9, 1998

At 2:15 p.m. Mrs. Marc Grégoire's collection which embellished

her property in Geneva (1st part) OLD MASTER PAINTINGS -

PORCELAIN - FAIENCE - DINNERSWARE - GLASSWARE -

CRYSTAL - FAR EASTERN ART - L. XV, L. XVI, EMPIRE, CH. X

period FURNITURE and OBJETS D'ART.

At 5 p.m. Other sources MODERN and CONTEMPORARY

PAINTINGS. Public viewing 6-8 March from 2 p.m. to

7 p.m. from the Minister M. René Panner - Hussier at Geneva -

in the presence of M. Jacques TAJAN - Commissaire-

Priseur-Asseur 37, rue des Mathurins, 75008 Paris, tel:

33 (0) 1 53 30 30 30 - fax: 33 (0) 1 53 30 30 31. Web:

http://www.tajan.com - Email: tajan@worldnet.fr

For inquiries please contact Mrs. Catherine Yache.

Phillips
INTERNATIONAL
AUCTIONEERS & VALUERS
Founded 1796

GENEVA AUCTIONS MAY 1998

Our experts will be travelling for appraisals
of Jewellery, Watches, Objects of Vertu,
Silver and Art Nouveau & Deco.

For appointments or information, please call:

Lisboa : 00351 14 68 42 49

Madrid : 0034 13 19 59 12

Paris : 0033 1 45 27 76 18

Monaco : 0033 06 12 55 05 06

Munich : 0049 89 291 34 28

Gothenburg : 0046 31 13 11 55

The Hague : 0031 70 360 85 86

Phillips Son & Neale
9 rue Ami-Lévrier - 1201 Geneva - Switzerland

Tel : 0041 22 738 07 07

In co-operation with PIASA
Fine Art Auctioneers & Valuers in Paris

Windsor Sale: A Cake Walk

By Carol Vogel
New York Times Service

NEW YORK — They came from Paris and San Francisco, Omaha, Nebraska, and Australia to watch the final chapter of the 20th century's most celebrated love story — that of the Duke and Duchess of Windsor — begin to unfold in nine days of sales at Sotheby's. Sales on Thursday evening totaled \$1.9 million, three times Sotheby's high estimate. They included a piece of the couple's wedding cake, which brought almost \$30,000; a pair of Regency-style giltwood tables, which sold for \$134,500. Sotheby's is auctioning more than 40,000 objects, the contents of the turn-of-the-century Louis XVI-style villa on the fringes of the Bois de Boulogne in Paris that was the couple's home after the duke married Wallis Simpson, an American divorcee, in 1937.

The seller is Mohamed al Fayed, the Egyptian-born financier and owner of Harrods in London and the Ritz in Paris, who bought the house in 1986.

The sale was originally scheduled for last September but was postponed after al Fayed's son, Dodi, and Diana, Princess of Wales, died in a car crash in Paris in late August.

The auction got off to a roaring start as bidders ignored the estimates and paid as much as they could. A portrait of Edward as a baby in his christening robes, dated July 1894, sold for \$27,600 to an unidentified telephone bidder. Sotheby's had estimated that it would fetch \$2,000 to \$3,000.

Although the salesroom was packed, few celebrities were in evidence. Raoul Felder, the divorce lawyer, was there.

So was the fashion designer Tommy Hilfiger, in the second row, buying up more than \$400,000 worth of art and objects, from a child's silver mug, for which he paid \$5,750, to a printed silk handkerchief commemorating Edward's thwarted coronation, which went for \$3,737, way above an estimate of \$150 to \$250.

Hilfiger also bought several watercolors of the duke and duchess's house by Alexandre Borisssovitch Serebriakov, a French artist, and furniture including the highest-priced lot in the sale, the Regency-style eagle-form giltwood tables, for \$134,500, after an estimate of \$20,000 to \$25,000. And a Louis XV-style desk for \$107,000.

"I have spent six years researching the Windsors, and I've written a musical about them called 'Always,'" he said. "At first I thought she might have been a gold digger and he weak, but I realized that the love he gave her was so extraordinary it got her through her darkest hours."

NOT everyone put such a sentimental cast on their purchases. Trevor Kreis, the Australian vice consul in New York, bought the private and unoffical diary of the doings of the Prince of Wales during a tour to Australia, New Zealand and the colonies in the Atlantic and Pacific for \$3,737 on behalf of the National Library of Australia. "It's quite candid," he said. "And it's thought to have some of the prince's handwriting in it." (Prices include the auction house's commission: 15 percent of the first \$50,000 plus 10 percent of the rest. Estimates do not reflect commissions.)

duchess's wedding cake, I think that was a record for a piece of wedding cake," said a stunned Diana Brooks, Sotheby's chief executive and one of the evening's auctioneers, as the Yims paid \$29,900.

Yim, who described himself as a collector and an entrepreneur, said, "It's something I consider absolutely surreal." Asked what he was planning to do with the cake, Yim replied, "Well, I'm not going to eat it."

William May, a composer and writer from Manhattan, failed to buy the cake but managed to take home an autographed note, circa 1935, from Mrs. Simpson to the Prince

BUSINESS/FINANCE

SATURDAY-SUNDAY, FEBRUARY 21-22, 1998

PAGE 9

U.S. Assails Japan Over Reforms

Officials Say Plan Needs Economic Stimulants

By Tom Buerkle
International Herald Tribune

Business's wedding cake that was a record sale, Diana Brooks, company's chief executive and one of the evening's auctioneers, Yims paid \$29,900.

Yim, who described himself as a collector and an amateur, said, "It's something like what he was planning to do the cake," Tim replied. "I'm sure not going to eat it."

William, a 100-year-old painter from Manhattan, failed to buy the cake but managed to score an autographed photo of Mrs. Simpson from Prince of Wales and Princess Diana. W.E. Wallis Bradford, right from him, had a "garden." Mrs. Pad \$3,000. Sotheby's had thought the letter well for \$1,000 to \$1,500.

"I have spent six years researching the Windmills and I've written a book about them, called 'Always,'" said William. "At first I thought she might be a gold digger and I was afraid that the love he gave her was extraordinary. It got her through the darkest hours."

LONDON — Senior U.S. officials criticized Japan on Friday for not including tax cuts or other stimulants in its latest economic reform package, saying Tokyo was failing to act as a locomotive for Asia's troubled economies.

The criticism set the stage for a chilly encounter when the U.S. Treasury secretary, Robert Rubin, meets Finance Minister Hikaru Matsunaga of Japan at a gathering of finance ministers and central bank governors of the Group of Seven nations here Saturday.

The American criticism was largely echoed in financial markets, where analysts think the Japanese economy will stagnate without major tax cuts or government spending increases. The yen tumbled sharply on the foreign-exchange market, with the dollar rising to 127.950 yen in 4 P.M. New York trading from 126.025 on Thursday.

Analysts predicted a slide in the weeks ahead, a trend that could only exacerbate the worsening U.S. trade deficit.

Washington has been prodding Japan to stimulate its economy both to bolster demand for U.S. exports and to act as a lifeguard for Asia.

"It is up to them to lead Asia's recovery, not the United States," Commerce Secretary William Daley was quoted as telling Reuters in an interview in Singapore.

The criticism of Japan's economic package overshadowed news that Japan, the United States and other major industrial nations were nearing agreement Friday to provide more than \$10 billion in new trade insurance for Indonesia and other struggling Asian countries.

The funding, discussed at a meeting here of export-credit guarantee agencies from 26 nations, was intended to fill part of the gap left by the cutoff of private bank lending to Asia in recent months and to stem a surge in bankruptcies across the region. The package was expected to be completed and endorsed by the finance ministers of the United States, Britain, Germany, France, Italy, Canada and Japan, at their meeting Saturday.

No other concrete measures of support for Asia were expected, despite an appeal from Indonesia's finance minister, Mar'ie Muhammad, for the G-7 to "do something."

Mr. Rubin said Friday that much of the finance ministers' time this weekend would be spent discussing Asia's economic woes and Japan's inability to stimulate its economy, and that he did not expect the meeting to result in any substantive change in G-7 currency policy, Bloomberg News reported.

Mr. Rubin and officials of the International Monetary Fund reiterated their opposition to Indonesia's plan to establish a currency board to support the rupiah, saying the government needed to implement a package of IMF reforms before trying to peg its currency.

In Tokyo, Trade Minister Mitsuo Horie said Friday that the Export-Import bank would extend 300 billion yen in fresh loans to Asian countries, primarily to Indonesia by the end of March, with more likely to come in the fiscal year starting April 1.

In addition, Japan promised to provide \$1 billion toward what it hopes will be a \$15 billion trade insurance fund for Asia. The fund is designed to enable Asian companies to obtain bank credits to purchase raw materials and other vital imports.

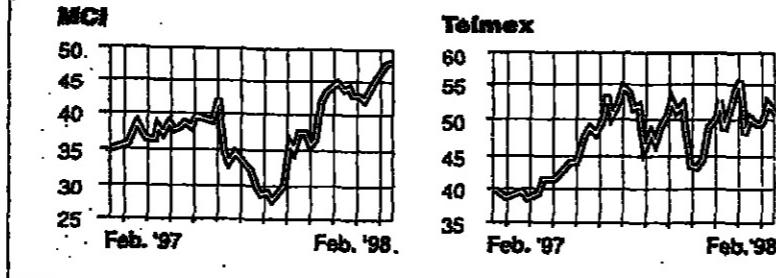
While U.S. officials regard trade finance as vital in the short term, they believe economic growth is essential to stabilizing Asia in the longer term. On that score Japan's latest economic reform package, its fourth since October, failed Washington's test.

The package outlined by Japan's ruling Liberal Democratic Party included deregulation measures intended to bolster the banking system and stock market, but it failed to include tax cuts or spending increases to speed growth.



Gerald Taylor, chief executive of MCI, left, and G. Michael Armstrong, CEO of AT&T, have found a tough competitor in Telmex.

Share prices in U.S. dollars



Source: Bloomberg

Phone Giants Cross Wires in Mexico

Newcomers AT&T and MCI Blast Telmex's Local Connections

By John Ward Anderson
Washington Post Service

MEXICO CITY — When Mexico's telecommunications industry was privatized a year ago, the U.S. behemoths AT&T Corp. and MCI Communications Corp. portrayed themselves as fierce interlopers spoiling to give the slothful former monopoly phone company, Telmex, a lesson in competition.

Instead, Telmex, or Telefonos de Mexico SA de CV, has given the U.S. companies a costly and humiliating lesson on doing business in Mexico. The promised Clash of the Titans has degenerated into a playground brawl, with the U.S. companies casting themselves as 90-pound weaklings being picked on by the resident bully.

The U.S. phone giants and their Mexican joint-venture companies contend that their Mexican joint ventures cannot make a profit when they are being forced to give more than 70 percent of their revenue to Telmex.

MCI says it must charge at least 49 cents per minute on calls from the United States to Mexico to recover its fees. It charges only 12 cents per minute to Canada and Britain.

"MCI knows how to compete, but we cannot do so against a heavily subsidized Telmex, whose strategy of

especially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor forecasting, Telmex was granted favorable treatment to protect it from an onslaught that never occurred; now MCI and AT&T are hemorrhaging hundreds of millions of dollars and threatening to drag Mexico and the United States into a trade war.

A dispute could hurt Mexico's effort to lure foreign investment and stymie the delivery of advanced communications technologies that Mexico needs to become more integrated with its main trading partner, the United States.

"The Mexican government is trying to get foreign investment in Mexico, and if investors think they're not opening their largest market — the telecommunications industry — or that they're not creating a level playing field for foreign investors, that could affect

"

"This notion that Telmex is the benchmark and poor little MCI and AT&T are getting beat up is ridiculous," said Ray Ligouri, a telecommunications analyst at Merrill Lynch & Co.

"Rather than adapt to the Mexican style of negotiation and conciliation, they have been very adversarial, es-

pecially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor forecasting, Telmex was granted favorable treatment to protect it from an onslaught that never occurred; now MCI and AT&T are hemorrhaging hundreds of millions of dollars and threatening to drag Mexico and the United States into a trade war.

A dispute could hurt Mexico's effort to lure foreign investment and stymie the delivery of advanced communications technologies that Mexico needs to become more integrated with its main trading partner, the United States.

"The Mexican government is trying to get foreign investment in Mexico, and if investors think they're not opening their largest market — the telecommunications industry — or that they're not creating a level playing field for foreign investors, that could affect

"

"This notion that Telmex is the benchmark and poor little MCI and AT&T are getting beat up is ridiculous," said Ray Ligouri, a telecommunications analyst at Merrill Lynch & Co.

"Rather than adapt to the Mexican style of negotiation and conciliation, they have been very adversarial, es-

pecially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor forecasting, Telmex was granted favorable treatment to protect it from an onslaught that never occurred; now MCI and AT&T are hemorrhaging hundreds of millions of dollars and threatening to drag Mexico and the United States into a trade war.

A dispute could hurt Mexico's effort to lure foreign investment and stymie the delivery of advanced communications technologies that Mexico needs to become more integrated with its main trading partner, the United States.

"The Mexican government is trying to get foreign investment in Mexico, and if investors think they're not opening their largest market — the telecommunications industry — or that they're not creating a level playing field for foreign investors, that could affect

"

"This notion that Telmex is the benchmark and poor little MCI and AT&T are getting beat up is ridiculous," said Ray Ligouri, a telecommunications analyst at Merrill Lynch & Co.

"Rather than adapt to the Mexican style of negotiation and conciliation, they have been very adversarial, es-

pecially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor forecasting, Telmex was granted favorable treatment to protect it from an onslaught that never occurred; now MCI and AT&T are hemorrhaging hundreds of millions of dollars and threatening to drag Mexico and the United States into a trade war.

A dispute could hurt Mexico's effort to lure foreign investment and stymie the delivery of advanced communications technologies that Mexico needs to become more integrated with its main trading partner, the United States.

"The Mexican government is trying to get foreign investment in Mexico, and if investors think they're not opening their largest market — the telecommunications industry — or that they're not creating a level playing field for foreign investors, that could affect

"

"This notion that Telmex is the benchmark and poor little MCI and AT&T are getting beat up is ridiculous," said Ray Ligouri, a telecommunications analyst at Merrill Lynch & Co.

"Rather than adapt to the Mexican style of negotiation and conciliation, they have been very adversarial, es-

pecially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor forecasting, Telmex was granted favorable treatment to protect it from an onslaught that never occurred; now MCI and AT&T are hemorrhaging hundreds of millions of dollars and threatening to drag Mexico and the United States into a trade war.

A dispute could hurt Mexico's effort to lure foreign investment and stymie the delivery of advanced communications technologies that Mexico needs to become more integrated with its main trading partner, the United States.

"The Mexican government is trying to get foreign investment in Mexico, and if investors think they're not opening their largest market — the telecommunications industry — or that they're not creating a level playing field for foreign investors, that could affect

"

"This notion that Telmex is the benchmark and poor little MCI and AT&T are getting beat up is ridiculous," said Ray Ligouri, a telecommunications analyst at Merrill Lynch & Co.

"Rather than adapt to the Mexican style of negotiation and conciliation, they have been very adversarial, es-

pecially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor forecasting, Telmex was granted favorable treatment to protect it from an onslaught that never occurred; now MCI and AT&T are hemorrhaging hundreds of millions of dollars and threatening to drag Mexico and the United States into a trade war.

A dispute could hurt Mexico's effort to lure foreign investment and stymie the delivery of advanced communications technologies that Mexico needs to become more integrated with its main trading partner, the United States.

"The Mexican government is trying to get foreign investment in Mexico, and if investors think they're not opening their largest market — the telecommunications industry — or that they're not creating a level playing field for foreign investors, that could affect

"

"This notion that Telmex is the benchmark and poor little MCI and AT&T are getting beat up is ridiculous," said Ray Ligouri, a telecommunications analyst at Merrill Lynch & Co.

"Rather than adapt to the Mexican style of negotiation and conciliation, they have been very adversarial, es-

pecially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor forecasting, Telmex was granted favorable treatment to protect it from an onslaught that never occurred; now MCI and AT&T are hemorrhaging hundreds of millions of dollars and threatening to drag Mexico and the United States into a trade war.

A dispute could hurt Mexico's effort to lure foreign investment and stymie the delivery of advanced communications technologies that Mexico needs to become more integrated with its main trading partner, the United States.

"The Mexican government is trying to get foreign investment in Mexico, and if investors think they're not opening their largest market — the telecommunications industry — or that they're not creating a level playing field for foreign investors, that could affect

"

"This notion that Telmex is the benchmark and poor little MCI and AT&T are getting beat up is ridiculous," said Ray Ligouri, a telecommunications analyst at Merrill Lynch & Co.

"Rather than adapt to the Mexican style of negotiation and conciliation, they have been very adversarial, es-

pecially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor forecasting, Telmex was granted favorable treatment to protect it from an onslaught that never occurred; now MCI and AT&T are hemorrhaging hundreds of millions of dollars and threatening to drag Mexico and the United States into a trade war.

A dispute could hurt Mexico's effort to lure foreign investment and stymie the delivery of advanced communications technologies that Mexico needs to become more integrated with its main trading partner, the United States.

"The Mexican government is trying to get foreign investment in Mexico, and if investors think they're not opening their largest market — the telecommunications industry — or that they're not creating a level playing field for foreign investors, that could affect

"

"This notion that Telmex is the benchmark and poor little MCI and AT&T are getting beat up is ridiculous," said Ray Ligouri, a telecommunications analyst at Merrill Lynch & Co.

"Rather than adapt to the Mexican style of negotiation and conciliation, they have been very adversarial, es-

pecially Avantel," he said, referring to the MCI joint venture. "This is a bed U.S. carriers made for themselves."

Analysis said that when U.S. companies decided to enter the Mexican phone market, which became fully privatized on Jan. 1, 1997, they underestimated the strength of Telmex and overestimated how many customers they could steal from the former monopoly; in the end, each grabbed about 12 percent of the domestic and international long-distance market.

Particularly of the U.S. companies' own poor

soft Inquiry

Paris Denies Sale of Stake In Renault

Reuters

PARIS — The French government and Renault SA shot down reports Friday that the state would cut its 44 percent stake in the carmaker and that the company might sell its loss-making truck unit.

But analysts said the recurring sale rumors would probably arise again because both scenarios made sense.

With Renault's stock hovering near record levels and its results improving, the government would have little difficulty finding buyers for Renault shares, analysts said.

News reports Friday said France would probably sell at least 25 percent of its stake in the carmaker, but not before 1999. The Finance Ministry said speculation fueled by the report was unfounded.

"The feeling in the market is that the sale of Renault shares is one of the easier ways the government has to raise money through privatizations," said John Lawson, analyst at Salomon Smith Barney.

The French government is working on the sales of the insurance GAN, its bank subsidiary CIC and part of Air France.

"It's just a matter of time before it gets around to Renault," Mr. Lawson said.

Analysts also said a sale of its truck business, Renault Vehicles Industriel, would make sense from a financial and industrial point of view.

"There is a broad consensus among analysts that RVI will never make significant returns stumbling alone as it does," said Nick Snee, a car analyst at JP Morgan.

"It's future would be better served by combining it with another truck producer," he said.

"That would be a win-win situation for Renault and for the truck business."

The truck unit lost 791 million francs (\$127.9 million) in 1996 and Renault has said 1997 results would bring further losses before returning to profit in 1998.

A Management Shakeup at Telecom Italia

Compiled by Our Staff From Reuters

ROME — A management shakeup at Telecom Italia SpA has left the Agnelli family, which controls a stake of just 0.6 percent, as the main center of power in Italy's former state telephone monopoly, investors and government officials said Friday.

But although the shakeup had been expected, analysts said it was likely to usher in a period of uncertainty at a time when deregulation of the telecommunications market poses tough new challenges for the company.

Telecom Italia's chief executive, Tommaso Tommasi di Vignano,

resigned late Thursday after Telecom's new chairman, Gian Mario Rossignolo, introduced a fresh

management structure that would curb

Mr. Tommasi's powers. An earlier attempt to clip Mr. Tommasi's wings by Mr. Rossignolo's prede-

Change Leaves Agnelli in Control

cessor, Guido Rossi, failed and prompted Mr. Rossi's resignation.

Mr. Tommasi's departure signaled the end of the state-appointed managers who had run the giant company until its privatization in October, and victory for the new team of executives installed by private shareholders.

The changes create a situation of instability and poor morale at the top," said Giulio Basso, an analyst at Sella Asset Management. "The company needs to find the right balance of power between the new shareholders and the old management."

The company, the world's seventh-largest telecommunications company, also appointed a new board in October.

That group owns about 6 percent of the company and includes the banks Credito Italiano and Istituto

Bancario San Paolo di Torino, the Agnelli family holding company Ifil, and AT&T Corp.

The shakeup leaves most power in the hands of Mr. Rossignolo, who spent 22 years in the Agnelli's employ, and three general-directors — one of whom represented the Agnelli on Telecom Italia's board.

"The Agnelli are running the place now," said Giulio Basso, who manages \$500 billion in assets (\$272 million) at Prudential Fondi SpA.

"It sounds absurd, but while investment funds that have a bigger stake cannot express their opinion, one powerful family can practically gain control with less than 1 percent."

A spokesman for Ifil said he could not comment about the telephone company's affairs.

Senator Michele Lauria, under-

secretary at the Communications Ministry, said Friday that he, too, was "perplexed that a group with just 0.6 percent became a de facto shareholder of reference" at Telecom Italia, while many other investors "remained without a voice."

He said that the government, which holds two slots on Telecom Italia's board, should transfer them, as well as Mr. Tommasi's vacant board seat, to the company's employees and institutional investors.

Vito Gambarale, chief executive of the cellular-telephone subsidiary, Telecom Italia Mobile SpA, became director-general for operations and Fulvio Conte, an executive with the state railroad company Ferrovie dello Stato SpA, became director-general for finance.

Telecom Italia fell 250 lire to 12,080 (\$6.74) and TMI fell 255 lire to 8,050. (Bloomberg, Reuters)

Microsoft's case against Microsoft, the company violated a 1995 agreement by requiring computer users to install its Internet Explorer browser as a condition for getting Windows. Microsoft disagrees, saying the two governments want to integrate and cannot be separated. Microsoft officials also are trying to see if they include its browser in the terms intended to lock out Netscape. Redmond, Washington-based company is pressing fully with the government to defend its practices would be found safe. Spokesmen for the Justice Department not immediately return phone calls seeking comment. Microsoft shares closed Friday at \$125, up 25 cents. (AP, Bloomberg)

Sweep Floor

Group and American

1998 is challenging the best companies. Oil stocks were hit by a Cane & Crane, Inc. Asse

At shares and American ser

marketly

ful

shares to

MacK, the

strong est

labeled be

the best and

we buy

new W

new cause

Dear

past

and &

share

On the upside, Merck share

reflecting from the company

nature of drug stocks. Investors and tech stocks who

expect the economy to slow

business and medium

business

Chrysler & GM

reduced

Repsol YPF

and

Renault

Asian Woes Dent Japan's Car Exports

Compiled by Our Staff From Dispatches

TOKYO — Toyota Motor Corp.'s exports fell for the first time in almost a year in January, the company said Friday, in a clear sign that Asian economic turmoil is hurting Japan's automakers, many of which are already suffering from a decline in Asia.

But other Japanese automakers reported a rise in exports of as much as 14.5 percent last month from a year earlier, as strong sales in Europe and the United States offset declines in Asia.

Toyota, the industry leader, said overall exports in January fell 1.9 percent from a year earlier to 129,668 vehicles, marking the first decline in 10 months. Its exports to Asia fell a steep 42.7 percent from a year earlier to 5,884 and to Thailand by a precipitous 89.9 percent.

"The impact of economic woes in Southeast Asia is now apparent," a Toyota spokesman said. "We did not export a single car to Indonesia last month."

Toyota said it exported 59,690 vehicles to the United States, a rise of 4.8 percent from the same month a year ago, but that sales within Japan fell 24.6 percent from a year earlier, to 95,430 vehicles.

Other major Japanese carmakers — Nissan Motor Co., Honda Motor Co., Mitsubishi Motors Corp. and Mazda Motor Corp. — also said their exports to Southeast Asia fell sharply in January. Mitsubishi Motors said it did not export any cars to Indonesia or Thailand in January.

Mazda, 33.4 percent owned by Ford Motor Co., said overall exports increased 10.7 percent to 72,634 vehicles, helping offset a 14.2 percent drop in domestic sales. Mazda's exports to the United States in January jumped 27.2 percent to 12,222 vehicles.

Nissan's overall exports rose 10.7 percent to 47,851, though exports to the United States fell 20.6 percent. Mitsubishi Motors said exports rose 2.1 percent to 39,045 vehicles.

While Japan's auto exports have risen for 19 straight months, imports have been down for 10 months.

"We're not trying to push exports," a Honda spokesman said. "It's just that demand is high overseas."

(Reuters, Bloomberg)

Currency Plan Hits Indonesian Markets

Compiled by Our Staff From Dispatches

JAKARTA — The rupiah and the stock market slipped Friday on confusion surrounding a government plan to peg the shattered Indonesian currency to the U.S. dollar.

The currency-board system has dominated talk financial circles for days, but there was no clear indication when, or if, it would go ahead.

"We keep getting these mixed signals from government officials," the chief researcher at a major Western corporation here said. "One day they're saying Suharto's keen on it and that it will go ahead anytime. The next, usually after some strong criticism from overseas, they're saying Suharto's reviewing the

plan, and you start to wonder if he's not going to dump it altogether."

The dollar rose to 8,900 rupiah Friday from 8,750 Thursday, while the benchmark stock index closed at 495.23 points, down from 496.25.

President Suharto surprised the markets Friday by guaranteeing a payout on all legal deposits in 16 banks liquidated last year. The government had previously said it would cover up to 20 million rupiah (\$2,285) in each account of the 16 banks, which amounted to a total of 1.7 trillion rupiah.

Analysts saw the move as an attempt to restore confidence in the government's ability to handle the economic crisis.

"This is good news, but I think we need more to calm people and recover confidence in the system," a treasurer with a major bank said.

Finance Minister Mar'ie Muhammad told a parliamentary banking committee that the amount guaranteed would total 3.1 trillion rupiah. He said the government had no legal obligation to do so, but it was a decision by Mr. Suharto.

The banks were closed last year as part of a reform program for the banking sector agreed with the International Monetary Fund.

Mr. Mar'ie said the funds would come from the central bank because the budget could not handle the burden. The government would reimburse the bank over 10 years.

He said the Finance Ministry and the central bank, Bank Indonesia, were working on the technical details and planned to move quickly on returning the funds to depositors.

Mr. Muhammad did not back away from the currency-board plan Friday, fueling speculation it would be implemented.

But he left the time frame open, indicating the government might give in to demands led by the International Monetary Fund that no peg be introduced for the time being.

During this process of currency-board system preparation, the president is carefully watching developments offshore and onshore." Mr. Muhammad told a parliamentary hearing.

But a sales director with a regional brokerage noted the more conciliatory tone of some officials on the peg plan and predicted a softening in the government's stance.

It could mean an agreement to implement the currency-board system in six months or more, a move that could be rewarded with the relaxation of some of the painful reforms Indonesia is obliged to carry out under the terms of a \$4 billion bailout deal with the IMF, he added.

"This would maintain a reasonable amount of rupiah stability ahead of the board," the sales director said.

(AFP, Reuters)

Citibank Suspends Plan to Buy Thai Bank

Agence France-Presse

BANGKOK — Citibank NA has formally suspended ground-break moves to take over a crippled Thai bank, shortly after the government seized the bank for failure to make a recapitalization payment, the Thai bank said Friday.

Citibank, which announced in November that it would buy a 50.1 percent stake in First Bangkok City Bank PLC, has formally advised the bank that it has suspended an investigation of the bank

normally conducted as a preliminary step to a takeover.

First Bangkok City's president, Sirivuth Siamphakdee, said Friday that Citibank had informed the bank in writing that the process, known as due diligence, had been suspended and that any further due diligence "would be pursuant to a new contractual agreement."

The move puts on hold what was to be the first-ever takeover by a foreign institution of a Thai bank, analysts said.

The deal was seen as symbolically important for the troubled Thai banking sector, where loan quality has deteriorated and international funding has all but dried up since the baht was allowed to float in July.

The government seized First Bangkok City on Feb. 6 after the bank missed a deadline for a recapitalization. The bank fired its president and chairman in December as part of a reorganization ordered by the central bank.

Kia's Chief Threatens to Shut Factory if Unions Strike

Reuters

SEOUL — The chairman of Kia Motors Corp., Jin Nyum, said Friday he was trying to rescue the debt-ridden company by seeking peace with the unions, relief from creditors and capital from Ford Motor Co.

But the former labor minister said, "If labor strikes, then I will close the factory, and it will be the last day of Kia, not only for labor but for management."

Mr. Jin took a tough line on unions, as a collective bargaining agreement is set to expire at the end of March.

A new agreement would incorporate the possibility of labor force reductions, now that mass layoffs are possible under legislation passed last week, he said.

"Management would do its best to

avoid layoffs," he said.

If labor and management could not agree on a new collective bargaining agreement, he said he would ask the unions to accept binding arbitration instead.

Mr. Jin said unions had agreed to forego their annual six-month bonuses. Coupled with the loss of overtime, that meant the pay packets of Kia workers have been cut in half.

A new collective bargaining agreement is essential to a restructuring plan that Kia is working out with its creditors as it goes into court receivership.

In October, creditors filed for court receivership for the embattled Kia Group, which also includes heavy vehicle maker Asia Motors, Kia Steel Co. and Kisan Co. The

group had amassed about 10 trillion won (\$5.85 billion) in debts.

Bankruptcy proceedings have not stopped the company from making and selling cars. On Friday, Kia Motors launched three new 4-wheel drive models for a total of nine models launched since December.

Its exports in January surged 113 percent over January 1997 to 24,914 units, while domestic sales fell 32.7 percent to 10,530 units.

Mr. Jin said the court should be able to approve a final court receivership plan by the end of April, once it gets input from creditors on Kia's financial and restructuring plans. Both the collective bargaining agreement and the receivership plan have to be in place before Kia can recapitalize under new share-

holders, Mr. Jin said.

Mr. Jin declined to give details of his negotiations with Ford, which holds a stake in Kia with Mazda Motor Corp., except to say it includes joint production and marketing of parts and vehicles along with a possible capital infusion.

Samsung Motors Inc., which is due to roll out its first passenger cars at the end of March, said earlier this week it is also talking with Ford about a tie-up.

Chung Mong Kyu, chairman of Hyundai Motor Co., expressed concern about a Kia takeover in a separate interview. "We will wait and see. But the government should not write off the debts of Kia to facilitate the takeover deal. That would set a bad precedent."

Very briefly:

- Singapore Telecommunications Ltd., is in talks to buy at least 30 percent of Time Telecommunications Bhd., a Malaysian phone company.
- Singapore's key nonoil exports dropped 0.5 percent in January from a year earlier to 7.32 billion Singapore dollars (\$4.4 billion) as the Asian economic slowdown ate into overall trade, which declined 7.7 percent to 28.48 billion dollars.
- John Fairfax Holdings Ltd., an Australian newspaper publisher, said its net profit rose 1.3 percent from a year earlier to \$3.23 million dollars (\$35.3 million) in the six months ended in December. Sales rose 11 percent to \$67.85 million dollars.
- Boeing Co. said the Asia-Pacific region would need an estimated 4,845 commercial aircraft in the next 20 years, with China alone taking more than 1,900. Boeing said the new planes would be needed to meet rapidly growing traffic demands and to replace aging aircraft.
- Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., Okasan Securities Co. and Merrill Lynch Japan Inc. and four other brokerages operating in Japan are seeking to link their systems to major Japanese commercial banks' nationwide automatic teller machine networks.
- SM Summit Holdings Ltd., a Singapore CD-ROM maker, plans to sue a group of U.S. computer software makers, including Microsoft Corp., for damages because of an August raid of its headquarters on suspicion of software piracy.
- International Business Machines Corp. plans to set up a wholly owned computer parts-making subsidiary in the southern city of Shenzhen, China, by the end of February. IBM plans a \$20 million initial investment in Shenzhen IBM Technology Products Co., which would make a hard disk drive component.

Bloomberg, AFP, Reuters

Philippine Airlines Is Cutting Back

Compiled by Our Staff From Dispatches

MANILA — Philippine Airlines Inc. said Friday it had reduced flights on international routes and delayed airplane purchases from Airbus Industrie Inc. and Boeing Co. to pull out of a slump caused by Asia's currency crisis.

The jets are part of a \$3.2 billion expansion program begun in 1995 by the Philippine flag carrier, commonly known as PAL. The carrier is seeking to slash its expenses by as much as 40 percent to stem mounting losses, said Jaime Bautista, the airline's chief financial officer.

Mr. Bautista said the airline would cut jobs as part of its cost-cutting measures. PAL has not determined how many of its 14,000 employees will be let go, he added.

Airlines throughout the region have fired workers and cut spending as weakening currencies lead to declining tourist traffic. Last month, Cathay Pacific Airways Ltd. of Hong Kong eliminated 760 jobs.

Airlines also have been cutting routes in the region. On Friday, Singapore Airlines joined the growing list of carriers reducing service.

The economic downturn in the region has made it necessary for Singapore Airlines to cut back its services to three Asian capitals, the island republic's flagship carrier said. The airline will trim flights to Jakarta to seven daily

from eight and to Kuala Lumpur to 10 per day from 11, while traffic to Bangkok will be moderated by using smaller aircraft.

PAL has already reduced flights to Europe to 12 a week from 15. Flights to Hong Kong have been cut to three a day from the usual four, and those to South Korea have been reduced to six a week from nine.

The Philippine carrier reported Thursday that losses more than doubled to 2.64 billion pesos (\$66 million) in the last quarter of 1997.

The peso's devaluation on July 11 has increased the cost of paying for planes and servicing foreign debt by more than 50 percent. PAL's financing charges tripled in the three months ended Dec. 31.

Mr. Bautista said AirAsia Industrie, from which PAL has bought 20 planes in the past few years, has agreed to delay the delivery of three jets without penalty. PAL also has requested that Boeing postpone delivery of six planes.

PAL, in a filing with the Philippines' Securities and Exchange Commission, said it had canceled orders for four of Boeing's 747-400 jumbo jets. It is already flying four of the \$160 million Boeing planes.

PAL is controlled by the tobacco magnate Lucio Tan, who also owns the country's second-largest beer company, Asia Brewery Inc.

(Bloomberg, AP)

FEUD: U.S. Phone Giants Frustrated in Mexico

Continued from Page 9

foreign investment in other sectors," said Rizwan Ali, an analyst at Bear Stearns & Co.

MCI announced two weeks ago it would not go ahead with a planned \$900 million investment in new systems here, and AT&T officials said they were "close" to pulling the plug on \$250 million they have budgeted for expanding Mexican operations. Both have appealed to the FCC to block Telmex's joint-venture expansion into the United States with Sprint Corp. unless Telmex renegotiates its charges with MCI and AT&T.

On Wednesday, MCI asked the Office of the U.S. Trade Representative to "implement all measures at its disposal" to end Mexico's "discriminatory treatment" of new phone companies here.

An issue is a series of fees Telmex receives from foreign carriers to connect calls to Mexico, and from competitors that use its phone network. The charges — a "settlement fee" of 39.5 cents per minute and an "interconnection fee" of about 7.1 cents per minute — are among the highest in the world and about four times the true cost of the services, analysts say.

In addition, AT&T and MCI's Mexican partners pay a 5.5 percent surcharge to Telmex that was designed to offset losses on local phone service until the company could adjust local rates to make it a profitable business. Telmex remains Mexico's only local

phone provider, excluding cellular phone services.

Many analysts agree that Telmex fees are extremely high but said AT&T and MCI knew that before entering the market. With recent local call rate increases, Telmex is about breaking even on that service, and the surcharge should be abolished, they said. The other rates are scheduled to come down, but the question is how quickly. Telmex is committed to lowering the settlement fee to

19 cents by 2000.

Telmex and Mexico's Federal Telecommunications Commission — headed by the former director of planning for Telmex — denied that the company receives favorable treatment.

"Mexico went a long way to open their market, and Telmex lost at least 24 percent of its market share last year," Mr. Ligouri said. "How much do they have to lose before it's considered truly competitive?"

Don't miss the sixth in a series of sponsored pages in the IHT on electronic business.

February 25
BUSINESS TO e-BUSINESS:
TELECOMMUNICATIONS

If you missed the previous page, "Business to e-Business Enterprise Communities," fax or e-mail your mailing address for a free reprint.
Fax: +33 1 41 43 92 13 / E-Mail: supplements@iht.com

Reuter's
THE WORLD'S DAILY NEWSPAPER

**SENSITIVE AND TENDER, FUNNY AND DEEP,
THE BEST COMEDY SO FAR THIS YEAR,
WITH A SUCCESSFUL TRIO WHO WILL MAKE
YOU LAUGH AND CRY. A GOLDEN ROLE
FOR JACK, THE BRILLIANT CHAMELEON.**

Le Point, Michel Pascal

**"YOU'RE BOUND TO HAVE A TERRIFIC, TOUCHING
TIME! HELEN HUNT IS A REVELATION."**

TIME MAGAZINE, RICHARD CORLISS

"YOU'LL NO DOUBT BE WON OVER BY MELVIN."

NEWSWEEK, DAVID ANSEN

WINNER
5 GOLDEN GLOBE AWARDS
BEST PICTURE (COMEDY)

7 ACADEMY AWARD® NOMINATIONS
INCLUDING
BEST PICTURE
BEST ACTOR, JACK NICHOLSON
BEST ACTRESS, HELEN HUNT
BEST SUPPORTING ACTOR, GREG KINNEAR

JACK NICHOLSON HELEN HUNT GREG KINNEAR

AS GOOD AS IT GETS

STARSTARS: Grace Farms JACK NICHOLSON, HELEN HUNT, GREG KINNEAR AS GOOD AS IT GETS: Cuba Gooding Jr., Skeet Ulrich, Shirley Knight, Hans Zimmer ALICE PRYOR, RICHARD MARX, BILL DIZZELL, JOHN DALEY, JOHN SCHIFFER, RICHARD MARKS, LAURENCE MARKS, RICHARD SAKAI, LAURA ZISKIN, MARK ANDREWS, JAMES L. BROWN, BRIDGET JOHNSON, KURTZIE TEA, JAMES L. BROWN

GERMANY, NOW PLAYING - FRANCE, FEBRUARY 18 - SPAIN, FEBRUARY 27 - GREAT BRITAIN, MARCH 13

NASDAQ

Friday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press

The Associated Press

NYSE

Friday's 4 P.M. Close

Reaping the

nesting by the Few Acres, F

E-mail address: moneyrep@ih.com

Website: www.ih.com/IHT/MONEY

Reaping the Fruits of the Land in Eastern Europe, England and Asia

By Barbara Wall

THE RISKS are formidable and the barriers to entry extensive, but with land values across Central and Eastern Europe a mere fraction of those in the West, private investors are actively investigating long-term investment opportunities in former Communist countries.

Peter Bennett, a farming specialist with FPD Savills, an international real estate consultancy in London, receives an average of two inquiries each week from private investors who are interested in purchasing agricultural land, primarily in Czechoslovakia, Hungary, Poland and Romania.

The general consensus is that these markets offer some of the best land-investment opportunities for foreign buyers at the present time, he said. "Land values are cheap, operating costs are low and the prospects for high income yields and capital growth would appear to be excellent. There is a limited supply of good quality land for sale, but the buying process is considerably less onerous than in many other countries in the region."

There is a sense of growing interest in Estonia and Latvia, he added, "but these markets have only just opened to overseas buyers and the investment risks are probably still too high to warrant serious investigation."

Most of Mr. Bennett's clients have an agricultural background. Some are farmers, while others own businesses linked to farming. Mr. Bennett also gets inquiries from private individuals who want to diversify their portfolios.

"It has become very difficult to invest in agricultural land in Western Europe because of high entry levels, so investors have started to look elsewhere for opportunities," he said. "Hungary is a popular choice because it will be the first of the Eastern bloc countries to join the economic union. It has been reported that once Hungary becomes member of the EU, land values could increase fourfold."

In order to achieve economies of scale and employ a Western-style management system, it is generally not deemed worthwhile to invest in land less than about 2,500 acres (1,000 hectares). Agricultural-land values across Central and Eastern Europe range from \$150 to \$500 an acre, depending on accessibility, land quality and demand. The annual income from letting land can vary from \$12 to \$45 an acre. By comparison, in parts of Germany and the Netherlands, agricultural land can cost more than \$15,000 an acre.

Individuals can purchase land and employ management companies to farm the land on their behalf, but most private investors are advised to join a consortium in order to spread the costs. In recent years, FPD Savills has helped set up a number of consortiums for buying and managing land in Hungary and elsewhere. Individual subscription levels start at about \$75,000.

For a venture to be worthwhile, Mr. Bennett said that investors are generally advised to aim for a total annual return on a farm's working capital, which includes investment in machinery and labor, of between 13 to 15 percent. Although land values are increasing by as much as 13 percent per year in some areas, Mr. Bennett said that most overseas investors are buying land for potential operating gains.

Following the financial crisis in Asia and the sharp decline in land values there, some investors may feel that now is a good time to buy in the worst-affected areas. Simon Smith, director of research for the property consultancy First Pacific Davies Hong Kong Ltd., advised investors to wait until prices stabilize.

"The markets have not yet bottomed out, but when they do, investors will have to move quickly because it will be a once-in-a-lifetime buying opportunity," he said. "Hong Kong should attract a fair amount of interest, given its strong financial situation and the fact that it remains the only Asian currency to be pegged to the U.S. dollar."

Investors may also find value in countries that are well-positioned to institute speedy reforms in the face of increased pressure from the Internation-

al Monetary Fund. Likely contenders in this category include Bangkok, the Philippines and Malaysia."

Overseas investors are primarily interested in high-density development land, as this is where the investment gains are to be had," Mr. Smith added.

"Despite the fall in land values throughout Southeast Asia, entry levels are still high by any investment standards. Two parcels of land were recently auctioned in Hong Kong for 90 million and 11.6 million Hong Kong dollars apiece. Although they were considered excellent investment opportunities at the time, few private investors could afford the bidding."

For those leery of taking onsize investment risks, land markets in Northern Europe may be of interest. According to real estate agents, agricultural land in England is in demand because of high income yields and capital growth opportunities.

Farm land sells for £3,000 (\$4,920) to £13,000 (\$21,320) an acre in the South East and East Anglia, both popular farming regions.

If the land has planning permission attached, it can cost up to £1 million an acre in areas of high population density.

"Around one-third of agricultural land in England is let to tenant farmers," said Steve Mallen, a London-based researcher for the international property consultants Knight Frank & Rutley.

"The annual income from letting the land can be as high as 15 percent of the purchase cost, depending on the area of the country and the quality of the land.

However, agricultural land is scarce in England, and when it does come on to the market, the asking price usually precludes most private investors."

Mr. Mallen said that the majority of

private clients who purchase land in England did so for aspirational reasons.

"It is still possible to buy a plot of land in an area of high population density and finance the construction of a house for less than what it would cost to buy standing property," he said. "Some investors buy more land than they actually need and recoup the cost of their initial purchase by selling the excess land to a developer."

Hampshire International in England is in the process of selling a large parcel of land in Odham, near London, with planning permission for one house. The asking price for the 117-acre plot is £900,000.

A spokesman for Hampshire said the cost of building a large house on the land would be about £600,000. He said that on completion, the house and land together would sell for at least £2.2 million.

Private investors can get exposure to land investments in Britain without using all their capital reserves by buying shares in a company that specializes in this activity.

Lands Improvement Holdings PLC is the only listed company in Britain that invests solely in agricultural land. The company is principally involved in the acquisition, management and farming of rural land for long-term investment, development or trading. The annual dividend yield on this investment is about 5.5 percent after taxes.

Earlier this month, Neill Clark Capital Ltd. said it would be offering investors a chance to subscribe to Timber Estates PLC, which plans to invest in tree farms, mainly spruce. The company is betting that worldwide wood consumption will increase 50 percent by 2010.

For further information, call:

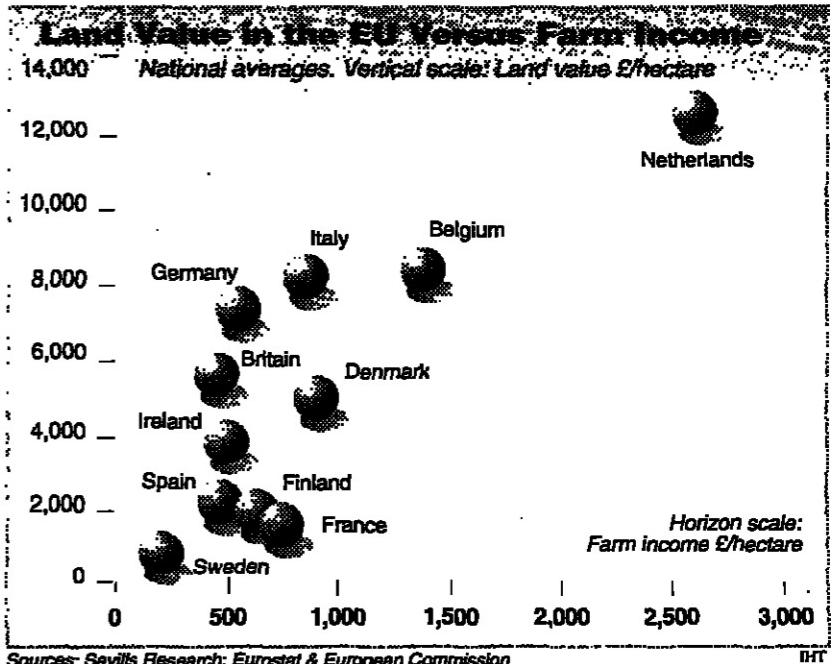
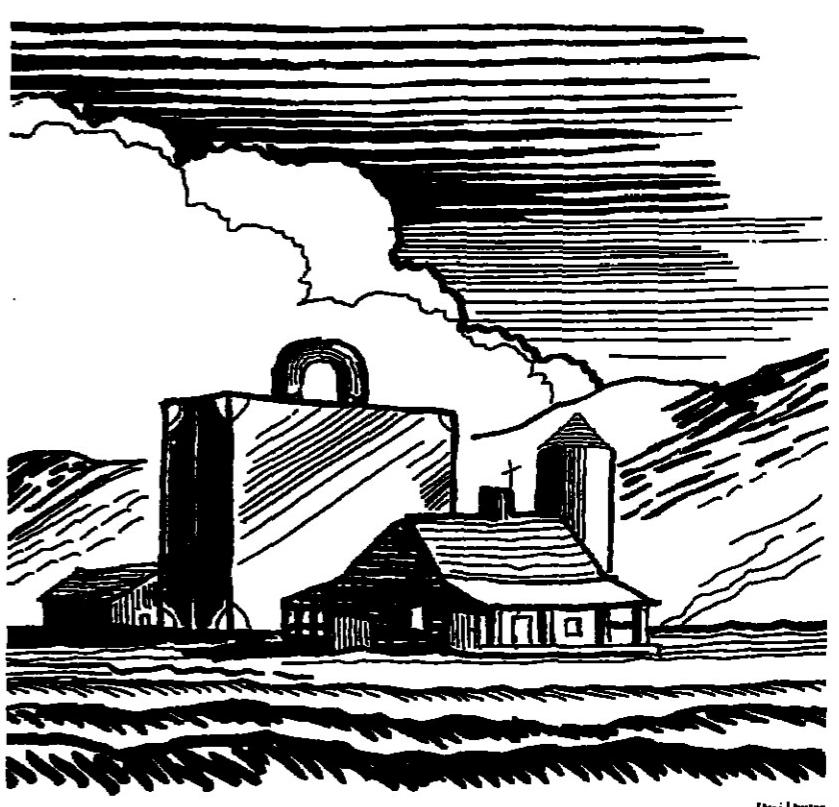
*LANDS IMPROVEMENT HOLDINGS PLC Telephone: 44 171 222 5331.

*FPD SAVILLS Telephone: 44 122 334 7000.

*FIRST PACIFIC DIRECT HONG KONG LTD Telephone: 44 171 629 8171.

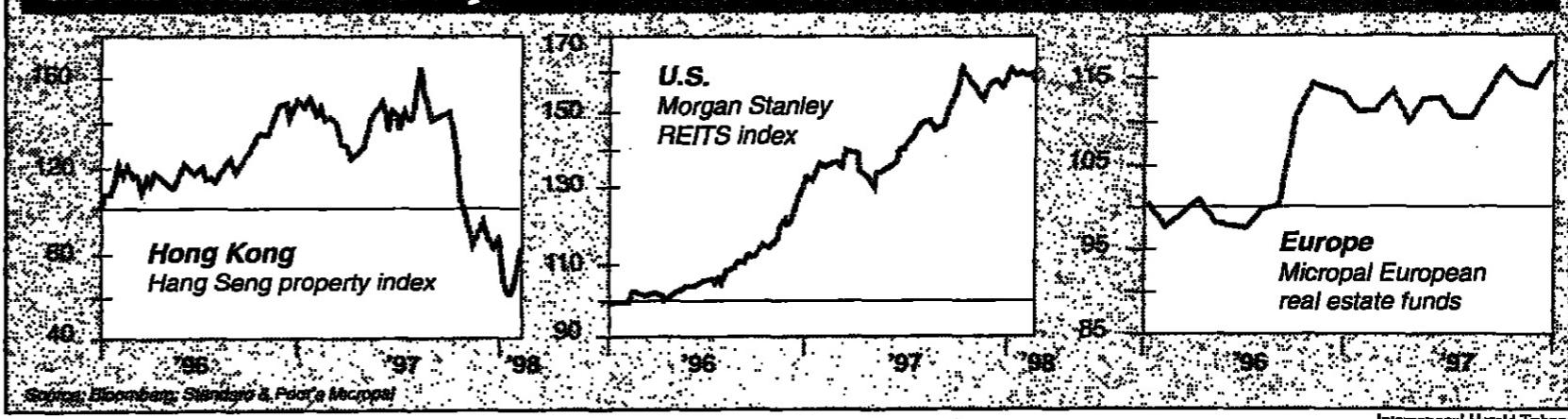
*KIGHT FRANK AND RUTLEY INTERNATIONAL PROPERTY CONSULTANTS Telephone: 44 171 629 8171.

*TIBER ESTATES PLC Call Neill Clark Capital at 44 171 626 1796 or 44 141 332 2014, or Wim Speker at 44 191 301 3800. Minimum investment is £2,000.



Sources: Savills Research; Eurostat & European Commission

Global Real Estate Plays Indexes rebased, Dec. 29, 1995=100



For the Risk-Averse, the REIT Way to Real Estate

Listed Real Estate Investment Trusts Offer Easy Access and a Multitude of Global Opportunities

By Judith Rehak

IF YOU ARE considering real estate as an alternative investment to stocks and bonds, there has never been a time when the opportunities have been more global or more accessible to individuals.

In the United States, more than 40 open-end funds invest in listed real estate investment trusts. These are companies that own portfolios of properties and pay out 95 percent of their income to shareholders, with shares that trade like those of regular stocks. By transferring almost all of their income directly to stockholders, REITs avoid paying corporate income taxes.

Single-shot players can buy individual REITs specializing in everything from luxury hotels to shopping centers and golf courses.

It is possible to invest in real estate through listed vehicles outside the United States. Europe is home to closed-end property funds and listed individual companies; Britain has the most of the latter, 130, while Scandinavian countries are going public for the first time.

In Asia, giant real estate developers, especially in Hong Kong, have been the engines of booming stock markets, and are now the battered victims of the region's financial tumult.

On a global scale, risk depends on where a region or country is in the property cycle.

The U.S. is largely at equilibrium. Europe is just entering a broad-based recovery in asset values, and Asia is in the midst of an enormous crisis," said Russell Platt, managing director of global real estate for Morgan Stanley Asset Management.

For risk-averse investors, the United States may be the most comfortable destination right now. The easy money

has probably been made — the spectacular 31.06 percent return of the average real estate fund in 1996 slipped to 22.6 percent last year, but REIT enthusiasts contend that the huge, \$120 billion U.S. market still offers choice, attractive yields and a defensive play in a high-priced, increasingly volatile American stock market.

Daniel Pine, who manages Alliance Capital's \$475 million Alliance Real Estate Investment Fund, a U.S. open-ended mutual fund that has an offshore version, said he was focusing on "value-added" situations.

For example, he still owns luxury hotel REITs, like the aggressively acquisitive Starwood Hotels & Resorts Trust, but he recently purchased Sunstone Hotel Investors Inc., which buys nonbranded hotels, refurbishes them and repositions them in the market. He also owns SL Green Realty Corp., which is upgrading its second-tier office properties for smaller tenants in Manhattan's robust commercial market.

But real estate strategists who shop in Europe contend that it offers more lucrative opportunities, because it has farther to go in recovery from the steep downturn of the early 1990s.

That is with the possible exception of Britain, where the economy is stronger than on the continent, sending prices soaring for big, well-known companies like Land Securities PLC.

For better value, Mark Thomas, British property analyst for ABN Amro Hoare Govett, favors niche plays like TBI PLC, which owns small airports in Wales; Belfast, Northern Ireland, and Orlando, Florida. Their value is appreciating as passenger traffic surges, said Mr. Thomas, who expects Orlando's Sanford Airport to serve 1 million passengers for the year ending next March, compared with 750,000 a year ago.

"TBI is selling for 93 pence right now, and I think it's worth 130 pence."

he said. On Friday, the shares were trading at 100 pence (\$1.63).

Morgan Stanley, which launched the offshore Morgan Stanley SICAV European Property Fund on Sept. 1, is combating the wreckage of real estate collapses in Norway and Sweden in the early 1990s.

"A lot of assets ended up with the banks, and they have spun them off into listed companies," said Mr. Platt. "They're not unlike REITs, and they're trading at 20 to 30 percent discounts to their underlying property value."

Among his top picks are Pireo AB, a Swedish shopping-center specialist that follows the strategies of its most successful American counterparts.

Europe is also the base for the grandfather of closed-end property funds, the \$3 billion Rodamco NV fund run by Robeco Group, the Dutch money manager. Rodamco's stock price was hit by the problems last year in Asia, but Herma Boom-Conradi, an analyst at the Amsterdam investment house MetzPiers NV, is expecting a recovery.

Rodamco's dividend last year was 2.8 guilders (\$1.40), giving its stock a yield of just 5 percent at a time when other shares on the Amsterdam exchange are returning as much as 8 percent, she said. But when the next dividend is declared this summer, she said she expected it to be about 3.40 guilders, and that improvement is not yet reflected in the stock price.

Although only about 7 percent of Rodamco's assets are in Asia, the market turmoil that began there last summer scared off investors, she said. But the company has undertaken an aggressive strategy recently, taking money out of its large cash reserves and investing it in higher-yielding real estate. The company has already slashed its holding periods for some properties by up to 25 percent.

Understandably, Mr. Everett is sticking with the most solid names, including Cheung Kong Holdings Ltd., Hong Kong's second-largest property company, which he said was equipped financially and management-wise to weather the inevitable storms ahead.

An award for courage might go to Morgan Stanley, which launched its offshore Morgan Stanley SICAV Asian Property Fund on Sept. 1, the same day

1997-98 financial year, and 10 percent more in the year that ends in February 1999.

"Their earnings from direct investment were rising only about 3 percent a year in the past, so that's a big change," she said. Nor is the fund retreating from Asia, where it plans to have a 25 percent stake eventually. "But they're not opportunists," she said.

Indeed, the vultures are circling Asia's bombed-out real estate stocks, bonhom-fishing for extraordinary bargains — if they can withstand any coming perils. Attention is riveted on Hong Kong, where once-high-flying shares have plummeted to less than half their highs. Even after a brief rally last week, the Hang Seng Property Index was still down 54 percent from the first week in August.

Not surprisingly, fund managers are cautious about their Asia strategies.

"The real estate market in Hong Kong is going to change from a high-margin, low-volume market to a high-volume, low-margin game," said Jeffrey Everett, manager of the Templeton Global Real Estate Fund.

The fat 50 percent to 60 percent margins enjoyed by local developers will shrink, he said. His prediction is underscored by news that Sun Hung Kai Properties Ltd., the biggest developer, has already slashed apartment prices by 30 percent.

Understandably, Mr. Everett is sticking with the most solid names, including Cheung Kong Holdings Ltd., Hong Kong's second-largest property company, which he said was equipped financially and management-wise to weather the inevitable storms ahead.

An award for courage might go to Morgan Stanley, which launched its offshore Morgan Stanley SICAV Asian Property Fund on Sept. 1, the same day

Continued on Page 17

Continued on Page 17

THE MONEY REPORT

Bank Shot: A Closed-End Fund That Plumbs the Hot U.S. Finance Industry

NEVER HEARD of First Financial Fund? That's a shame. Over the past 10 years, it has outperformed every mutual fund in America, returning an annual average of 31.2 percent, compared with 17.7 percent for the Standard & Poor's 500 Stock Index, which reflects the broad market.

If you had put \$10,000 into First Financial, which is a closed-end fund, in 1988 and kept reinvesting the dividends, you would have \$195,000 today. The same money in the S&P would have grown to only \$51,000.

What's the secret? 1) smart stock-picking by manager Nicholas Adams, who has been running the fund for 13 years, starting three years after he graduated from Princeton, and 2) a concentration in the hottest sector of the decade.

That sector is denoted in First Financial's moniker. The go-go niche of the 1990s is not computers or biotechnology or even consumer products, but banks, brokerage firms, insurance

companies and lenders of all sorts. Six of the top 10 mutual funds over the past five years, according to Value Line, are specialists in financial services, three in technology and one in energy. Over the past 10 years, the top five funds are all financial.

The big question, of course, is whether you are too late to join in all the fun.

The truth is, I do not know. But consider this: I mentioned First Financial to readers in 1995, a year in which it was returning 63 percent to its shareholders. Was it too high then? Well, in the past two years, it is up another 121 percent.

This is not meant to be a paean to First Financial, but an encouragement to look carefully at banks, insurers and financial firms in general. Four trends have been helping these companies: falling interest rates, which lower the cost of the money they sell; consolidations, that is, mergers that make firms more efficient; a

booming economy, which boosts the demand for credit; cost-cutting and better management through technology, and deregulation, both here and throughout the world.

Will those trends continue? You will have to answer that one yourself.

Certainly, the big banks and brokerages are unlikely to enjoy the huge run-ups we have seen

slight variation. Still, it has been encouraging to see that U.S. banks are less exposed to losses in Asia than their Japanese and European rivals.

My own conclusion is that well-chosen financials still offer remarkable opportunities — if you know where to look. A good way to begin is by cribbing from First Financial's own portfolio. You'll find only a few banks, and they are not exactly household names: Long Island Bancorp, People's Bank Bridgeport (Connecticut) and tiny Mid Continent

based in Irvine, California, also trades at a P/E of 9, based on prospective earnings for this year.

Firstplus Financial Group Inc., of Dallas, makes consumer finance loans and then packages them as securities and sells them to investors. Its P/E, based on 1998 estimates, is just 7, according to Bloomberg News. Doral Financial Corp. is a fast-growing Puerto Rican company. Then there's Ugly Duckling Corp., a used-car and finance company based in Phoenix with a 1998 P/E of 6.

Some of these stocks seem risky. In recent months, investors have become worried that American consumers are overextended and can't pay back the loans, credit-card and otherwise, that aggressive lenders have foisted upon them.

FIRST FINANCIAL is a closed-end fund that trades on the New York Stock Exchange under the symbol FF. Investors should get and read a prospectus before buying it. Call it at 1-212-773-8853, or, toll-free to the firm, 1-800-451-5783.

Washington Post Service

999 Other Funds

Through a U.S. Loophole, Investors Everywhere Have a Shot at Tax-Lien Deals

By Andrew Blum

TIRED OF THOSE major swings in the world's stock markets? Want to profit from a tax bill rather than pay one?

If so, tax-lien investing may be a way to go. While apparently an oddity of the American real estate, legal and tax systems, the liens can be purchased from outside of the United States through specialized brokers or directly by investors who know what they are doing. Investors who do not know what they are doing can end up owning proverbial swamp land.

Tax-lien certificates are similar to asset-backed securities created from credit-card debts. A local government that is owed taxes can transfer the right to collect those taxes to private investors, who pay less than the face value of the lien.

In many cases, the liens accrue interest as well and they are usually senior to bank debt on the properties. Eventually, if the taxpayer does not make good on the debt, the owner of the lien

can end up owning the property.

Liens have become a big business in the United States, where 90 percent of local municipal revenue comes from property taxes. When taxes are delinquent — as they often are — there can be revenue shortfalls. Investors buying the liens help fund those budget gaps.

Depending on the situation, such properties with liens could range from homes to gas stations to movie theaters.

About 30 states in the United States allow tax-lien investing and legislation is pending in others. While estimates of projected return on the lien investments vary, interest rates on the certificates range from 0 percent in Minnesota to 50 percent in Delaware, Michigan, New Jersey and Texas, according to William Tingle, a California real estate agent who runs the Tax Lien Investment Resource Center.

Residency in the United States is not a requirement to buy a lien. Dan Platt, founder of United Capital Management in Port Charlotte, Florida, said he has dealt with people in the U.S. military and is currently working with a German investor

who wants to buy tax liens in Florida.

The strategy is like buying stocks, he said, but you have to know real estate and the local area. Investors like the German client made the decision, Mr. Platt said, "based on the services of our firm and the ability to work with our firm."

In a recent deal, Mr. Platt said he sold a \$29,000 portfolio that includes 102 tax liens certificates on 102 individual properties with an average life of three years.

The buyer makes money from accrued interest and penalties levied on the delinquent owners.

Mr. Platt might buy the liens from someone else who bought them from the government.

In the case of the \$29,000 portfolio sold by Mr. Platt, those liens had an actual value of \$34,000, but he paid only \$27,000.

Mr. Platt said investors should understand that this is no sure thing.

While some of his clients have had returns in excess of 20 percent a year, that is not always the case.

"I tell people 10 percent to 15 percent

per year," he said.

United Capital offers an analysis of liens showing number of delinquent tax years, the age of the lien certificate and details on the land used to secure the lien. It also manages the tax-deed-foreclosure process in cases of liens that go unpaid.

Others buy big chunks of liens and then manage them.

One of those is Capital Asset Research Corp. of West Palm Beach, Florida, which in recent years has purchased \$1.25 billion worth of tax liens from local governments, including those in the Atlanta, Miami, New York and Pittsburgh areas.

Dan McGilvrey, vice president of marketing, said it was unreasonable to expect annual returns of 20 percent to be the norm.

"That happens, but it's fairly rare," he said.

As with other real estate investments,

Mr. McGilvrey said, knowing about the location is key. That kind of expertise is being marketed by Vince Hamm, general manager of Kain Chigh LLC, which is setting up limited partnerships around Golden, Colorado, to do tax-lien investing.

"You need to do research," Mr. Hamm said.

"That's something I've talked to people about. Iowa has rates of return of 25 percent and 30 percent, but what are you buying?"

To really know, an investor might have to go spend time there. In his company's case, Mr. Hamm said, the research has been done, zeroing in on high rates of returns on liens

that are expected to last longer than average. He said he was shooting for \$30,000 in funding but if he could get \$20,000 to invest, that would reduce the risk.

As for returns, he estimated that individual investors with, say, \$10,000, might get a return of 11 percent per year over three years. But doing it via limited partnerships, with local research done on the 4,000-area liens, might add another 2 percent per year, he said.

"The real payoff is if you get possession of the property," Mr. Hamm said. "Then rates go up to 50 percent."

Owning carries risks, however, especially if you buy off a public list without good research.

"There could be hazardous material on the property," Mr. Hamm said. "If you take possession, you are responsible for clean-up."

For further information, contact:

• CAPITAL ASSET RESEARCH CORP Telephone 1-561-691-9700 or, toll-free in the United States, 1-800-685-3807

• KAIN CHIGH LLC Telephone 1-305-771-1288, or toll-free in the United States, 1-888-333-1488. Web site: www.kainchigh.com

• UNITED CAPITAL MANAGEMENT Telephone 1-844-255-9711. Web site: www.capital.com

• TAX LIEN INVESTMENT RESOURCE CENTER Web site: www.taxlienresource.com. E-mail: Tingle74@aol.com. Mr. Tingle holds seminars in the United States on tax-lien investing

Taking the Back Roads to a 'Tidy' Portfolio

Continued from Page 15

is going to buy 10 acres near the airport for you.

Q. Many prospective investors may be put off by a lot of bureaucracy. Or they may lose confidence if bankers seem confused by the presence of foreigners.

A. The dimmer the banker is, the better. That way you know you are the first [foreign investor]. Remember, these people haven't seen the planeloads of Wharton MBAs yet. When the country

starts to become the flavor of the month, get ready to sell.

Q. So you aren't bothered if the local bankers treat you as if you are from Mars?

A. I would have been received better in a lot of places if I had been from Mars, instead of a motorcyclist wearing boots and a helmet. In Ecuador, they thought I was a drug smuggler. It takes persistence. Zimbabwe didn't let me invest when I first went there, but I came back a year

later and was the first foreign investor, on June 22, 1993. It doesn't always work, of course. In Bolivia, they took my money and never gave it back.

Q. Experiences like that may discourage investors who haven't run the Quantum Fund.

A. I always start small when I first go to these countries, say \$5,000 or so, because something will go wrong. It may be something little, like money being deposited in the wrong account, or it may be something big, like [local bankers] decide foreign investment is illegal. I add more when the system is in place.

For further information:

"Investment Baker: On the Road with Jim Rogers," by Jim Rogers (Random House, 1994).

REITs as Easy-Access Global Plays

Continued from Page 15

as its European sibling. It was down 28.41 percent as of last week. The decline, however, was all last year, the fund has been stable so far in 1998.

"The challenge is to think about asset values in a dynamic market," said an unassuming Mr. Platt. "Shares may be at deep discount to last year's values, but what about next year? It's not for the faint of heart."

The \$22 million fund has found some refuge in a 15 percent stake in Australia and in Japan, where it owns Mitsui Fudosan Co. and Sumitomo Realty & Development Co.

"We believe there is some potential upside in those two companies, which have been under pressure for nearly eight years now," Mr. Platt said.

Direct property yields in Japan are roughly 6 percent to 7 percent, while borrowing costs are below 2 percent, which he noted was "a nice return on equity."

In Southeast Asia, the fund is sticking with "safe blue-chips" like City Developments Ltd., Singapore's biggest property stock.

The developer has announced that its 800,000-square-foot (74,320-square-meter) office project is 90 percent leased.

Despite the perils, these investors and many others have no intentions of abandoning Asia's tumultuous real estate market.

"But the process of stabilization may take a couple of years, or as long as five years, so there's plenty of time to buy there," Mr. Platt said.

For further information, call:

• THE U.S. REITS SL (Greenback symbol SLG). Sponsored by HOT and listed on the Nasdaq, it has a 10 percent interest in the New York Stock Exchange.

• CHEUNG KONG is listed in Hong Kong (1); there is an American depositary receipt (CKHLY) available over the counter in the United States.

• MORGAN STANLEY SICAV/ASIAN PROPERTY FUND and MORGAN STANLEY SICAV/ASIAN PROPERTY FUND II (MDSY). The funds are not available to residents in the United States.

Where to find the investments:

• THE U.S. REITS SL (Greenback symbol SLG). Sponsored by HOT and listed on the Nasdaq, it has a 10 percent interest in the New York Stock Exchange.

• CHEUNG KONG is listed in Hong Kong (1); there is an American depositary receipt (CKHLY) available over the counter in the United States.

• CITY DEVELOPMENTS is listed in Singapore (CTD) and has an ADR (CDEVY) available over the counter in the United States.

• TIGER AB (PRE) is listed on the Stockholm Stock Exchange.

• RODAMCO is listed in Amsterdam (RDAMC) and Frankfurt (RDC).

• TBI (TBI) is listed on the London Stock Exchange.

BRIEFCASE**Red and White in the Black**

Emerging-market investors tend to focus on plays like telephone companies, utilities and banks. But they may have been missing out on an unusual investment — and some surprisingly good, reasonably priced wines — in Vina Concha y Toro S.A., a success story from Chile.

Among Concha y Toro enthusiasts is Donald Hoskins, portfolio manager for U.S. Trust Corp.'s Excelsior Latin America fund in New York. Mr. Hoskins recently bought the stock, which is listed in Santiago and New York, as it was rebounding from a historical low of \$22 in December.

The stock price was hit by a steep sell-off in the Chilean stock market, brought on by the financial crisis in Asia and a weakening peso, Mr. Hoskins said.

"But what people missed was that Concha y Toro's dynamics were completely different," he said. "They have been beneficiaries of the weaker peso because their costs are in pesos and their export revenues are in dollars."

Chilean wine exports leaped 42.2 percent, to \$382.2 million, in the first 11 months of 1997, led by Concha y

Toro. The winemaker exports 60 percent of its production.

Mr. Hoskins approves of Concha y Toro's plans to build export sales in Europe and the United States, and focus on its more profitable high-end wines. He estimated the strategy would produce an 18 percent annual

increase in sales through the next five years.

Undeterred by recent reports that a fungus had attacked Chilean vineyards, his target is \$39 a share over the next 12 months. The shares were trading at about \$29 on Friday.

(IHT)

Toro. The winemaker exports 60 percent of its production.

Mr. Hoskins approves of Concha y Toro's plans to build

export sales in Europe and the

United States, and focus on its

more profitable high-end wines.

He estimated the strategy would

produce an 18 percent annual

increase in sales through the

next five years.

Undeterred by recent

Herald Tribune INTERNATIONAL SPORTS

SATURDAY-SUNDAY, FEBRUARY 21-22, 1998

WORLD ROUNDUP

Bulls Romp In Toronto As Pippen Stays Put

The Associated Press

Congo Advances

SOCCER The new Democratic Republic of Congo continued its giant-killing run at the African Nations' Cup finals on Friday despite having two players sent off.

Mbulaula Tondelua scored after 30 minutes as Congo beat Cameroon 1-0, in a quarterfinal in Bobo-Dioulasso, Burkina Faso. Defenders Esele Bakas and Mundaba Kisombe were dismissed in the second half and will be suspended for the semifinal.

Juventus stumbled to its first home defeat of the season on Thursday when it lost 1-0 to by Lazio in the Italian Cup. Alan Bokovic, who left Juventus for Lazio after last season, scored the goal.

George Male, a member of the great Arsenal team of the 1930s, has died at 87. Male was in the Arsenal team that won the 1936 FA Cup and the League in 1933, 1934, 1935 and 1938. He played for England 19 times. (Reuters)

Graf's Double Setback

TENNIS Steffi Graf's comeback faltered again Friday when she and Barbara Rittner lost, 4-6, 6-2, 6-2, to top seeds Jana Novotna and Manon Bollegraf in the quarterfinals of the doubles at the Hanover grand prix.

Graf, who lost to Sabine Appelmans in the singles, has been playing her first tournament since July 1997. Graf said she planned to play next in a tournament beginning March 5 in Indian Wells, California, and then an event in Key Biscayne, Florida.

"But I don't have a clue what I'll do after that," she said. "After that will depend on how I am feeling."

In the singles, the top seed Novotna cruised into the semifinals with a 6-1, 7-5 victory over Lise Raymond. Unseeded Anna Kurnikova beat Anke Huber, seeded four, 6-4, 3-6, 6-4. (Reuters)

England Approves Italy

RUGBY UNION The English Rugby Football Union gave the final go-ahead on Friday for Italy to join what will be known as the Six Nations Championship from the 1999/2000 season. (Reuters)

Tyrrell Quits His Team

FORMULA ONE Ken Tyrrell resigned from his own Formula One team Friday after a dispute with its new owners, British American Racing. Tyrrell, 73, was understood to be unhappy with BAR's choice of Brazilian driver Ricardo Rosset. (Reuters)

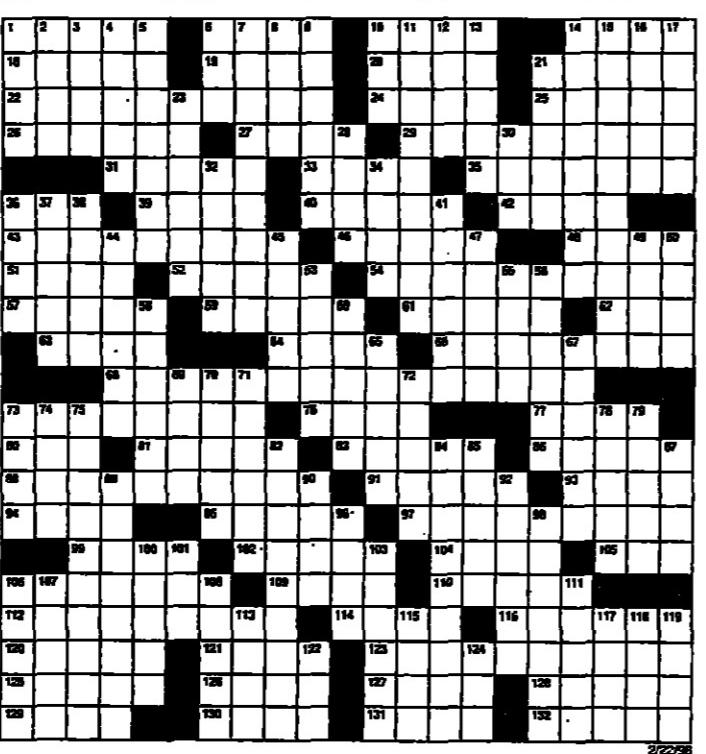
Australians Test Positive

DRUGS Seven Australian sportsmen tested positive for steroids in the last three months of 1997, the Australian Sports Drugs Agency said Friday. Weightlifters and bobsledders each accounted for three positive tests while the seventh was a rugby league player. None had competed at international level. (Reuters)

HOCKEY 100, Pistons 90 Clyde Drexler scored 29 points and helped host Houston pull away from Detroit in the fourth quarter. Drexler led a 10-2 run after the Pistons pulled within 72-69. Charles Barkley had 14 points and 14 rebounds for the Rockets, while Joe Dumars scored 19 for Detroit.

An official, Scott Wall, sustained a concussion during warmups when he was hit by a male dancer doing backflips.

INDIAN CORN By Fred Piscop



© New York Times/Edited by Will Shortz.

Solution to Puzzle of Feb. 14-15

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	32	33	34	35
36	37	38	39	40	41	42
43	44	45	46	47	48	49
50	51	52	53	54	55	56
57	58	59	60	61	62	63
64	65	66	67	68	69	70
71	72	73	74	75	76	77
78	79	80	81	82	83	84
85	86	87	88	89	90	91
92	93	94	95	96	97	98
99	100	101	102	103	104	105
106	107	108	109	110	111	112
113	114	115	116	117	118	119
120	121	122	123	124	125	126
127	128	129	130	131	132	133
134	135	136	137	138	139	140
141	142	143	144	145	146	147
148	149	150	151	152	153	154
155	156	157	158	159	160	161
162	163	164	165	166	167	168
169	170	171	172	173	174	175
176	177	178	179	180	181	182
183	184	185	186	187	188	189
190	191	192	193	194	195	196
197	198	199	200	201	202	203
204	205	206	207	208	209	210
211	212	213	214	215	216	217
218	219	220	221	222	223	224
225	226	227	228	229	230	231
232	233	234	235	236	237	238
239	240	241	242	243	244	245
246	247	248	249	250	251	252
253	254	255	256	257	258	259
260	261	262	263	264	265	266
267	268	269	270	271	272	273
274	275	276	277	278	279	280
281	282	283	284	285	286	287
288	289	290	291	292	293	294
295	296	297	298	299	300	301
297	298	299	300	301	302	303
304	305	306	307	308	309	310
309	310	311	312	313	314	315
316	317	318	319	320	321	322
323	324	325	326	327	328	329
330	331	332	333	334	335	336
337	338	339	340	341	342	343
344	345	346	347	348	349	350
351	352	353	354	355	356	357
358	359	360	361	362	363	364
365	366	367	368	369	370	371
372	373	374	375	376	377	378
379	380	381	382	383	384	385
386	387	388	389	390	391	392
393	394	395	396	397	398	399
399	400	401	402	403	404	405
406	407	408	409	410	411	412
413	414	415	416	417	418	419
420	421	422	423	424	425	426
427	428	429	430	431	432	433
434	435	436	437	438	439	440
441	442	443	444	445	446	447
448	449	450	451	452	453	454
455	456	457	458	459	460	461
462	463	464	465	466	467	468
469	470	471	472	473	474	475
476	477	478	479	480	481	482
483	484	485	486	487	488	489
490	491	492	493	494	495	496
497	498	499	500	501	502	503
504	505	506	507	508	509	510
511	512	513	514	515	516	517
518	519	520	521	522	523	524
525	526	527	528	529	530	531
532	533	534	535	536	537	538
539	540	541	542	543	544	545
546	547	548	549	550	551	552
553	554	555	556	557	558	559
560	561	562	563	564	565	566
567	568	569	570	571	572	573
574	575	576	577	578	579	580
581	582	583	584	585	586	587
588	589	590	591	592	593	594
595	596	597	598	599	600	601
602	603	604	605	606	607	608
609	610	611	612	613	614	615
616	617	618	619	620	621	622
623	624	625	626	627	628	629
630	631	632	633	634	635	636
637	638	639	640	641	642	643
644	645					

SPORTS

Czechs Stun Canada in Shootout

Goalie Hasek Saves All 5 Shots to Deny Favorites a Place in Final

By Rachel Alexander
Washington Post Service

NAGANO, Japan — It was during the nerve-wracking penalty shot segment of the Czech Republic's semifinal game against Canada on Friday that Slavomir Lener, the Czech coach, noticed something. His players, standing in front of their bench, had linked their arms around each other's shoulders, taking each breath at one.

"That was better than any two points, to see those guys as a team," said Lener, whose squad stunned the favored Canadians 2-1, by scoring on one penalty shot.

"You can't get any better reward than that as a coach. Nothing that's shown on TV, no medals — it's this feeling you have for just those few seconds when you know you belong with the team and you are a part of it. There is no bigger reward."

Lener will get to test that theory Sunday, when the Czech Republic plays Russia in the final. Canada, the favorite to win the tournament, will instead face Finland in the playoff for the bronze medal Saturday.

Canada's loss hit an entire country that had bundled its national pride with its gold medal hopes. The last time Canada won the gold was in Oslo in 1952, leaving the country starving in the sport it calls its own. These Olympics were considered the best chance for redemption for Canada, which was able to field an all-star, all-National Hockey League team for the first time.

But the Czechs, participating in only their second Winter Olympics since separating from Slovakia, were also looking to use this tournament to bolster their national identity. No matter what happens Sunday, victories over two hockey superpowers in back-to-back games — they beat the United States, 4-1, to get to the semifinals — have earned them an enormous dose of respect.

"I only wish I could be in Prague."

right now, said Martin Rucinsky, who plays for the Montreal Canadiens. "It's a great moment for Czech hockey. Everybody expected us to be out of it in the quarterfinals."

The Czech Republic could have filled its roster with NHL players, but it decided to stick with the nucleus of the team that has competed in recent world championships. Coaches then filled in the gaps with 12 NHL players, such as

ICE HOCKEY

the New York Islanders forward Robert Reichel, the only player to score in the penalty shot competition.

"They play together as a team," Lener said. "We did not want to disrupt that."

Every team needs a star, however, and the Czech squad's is the Buffalo Sabres goaltender, Dominik Hasek (24 saves), who had yet another brilliant outing. Canada goaltender Patrick Roy (27 saves) was also spectacular, but when the game remained tied at 1-1 after 60 minutes of regulation play and a 10-minute overtime, it was Hasek who shone in the penalty shot tiebreaker.

Displaying the elastic-man, flip-flop style that won him NHL most valuable player honors last season, Hasek stopped each of the five Canadian snipers, a group that did not include Wayne Gretzky, passed over by Marc Crawford, the coach.

Roy stopped the Pittsburgh Penguins forward Jaromir Jagr, who hit a post, but he could not stop Reichel, the team's first shooter. After Brendan Shanahan, Canada's last shooter, failed in a deck attempt, the Czech players stormed the ice, throwing up their equipment. They pounced on Hasek, who later said facing the penalty shots was the "most intense pressure of my life."

It was a full two minutes later, when many hugs, face rubs and high-fives had already been exchanged, that the Czechs decided they should probably stop sitting

on their most valuable player, although Hasek was happily enduring the attention. Meanwhile, on the other side of the rink, Shanahan skated back toward the Canadian net, doubled over in disappointment, as his teammates slowly left the bench. In the end, only Gretzky was left sitting alone, with tears on his cheeks as he watched his hopes for Olympic gold slip out the rinkside door.

Despite all the Stanley Cups, trophies and other medals Gretzky has won, he has never claimed an Olympic medal.

"It's devastating, the worst feeling I've ever had in hockey," Gretzky said, his eyes glassy. He said this was his last international competition.

"I knew when I lost my first Stanley Cup, I'd get another chance. When we lost, that was it for me. So I'm very disappointed. I love to play hockey. I love to represent Canada."

Olympique Déjà Vu for Canadians

It was the second consecutive Olympics in which Canada was eliminated in a shootout. In 1994, the final between Sweden and Canada was decided when goalie Tommy Salo of Sweden beat Paul Kariya of Canada and Peter Forsberg of Sweden beat goalie Corey Hirsch of Canada, the New York Times reported from Nagano.

Roy said of the shootout: "It didn't start well, because the first guy hit the post and it went in. I'm not here to find excuses. If we lose, we lose."

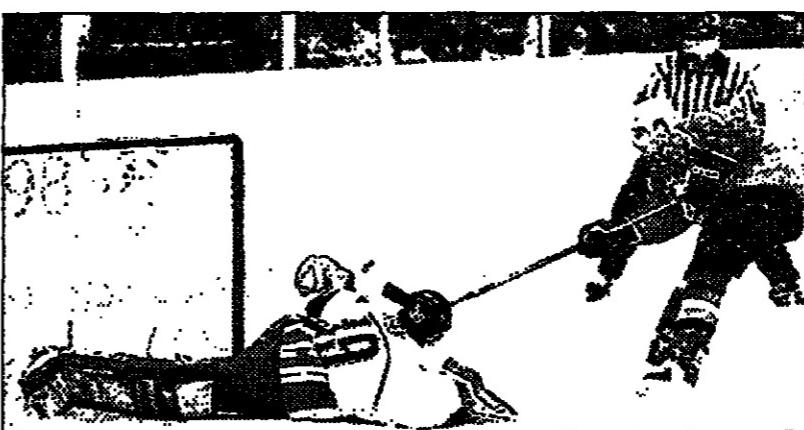
Lener, the Czech coach, said his players routinely practice penalty shots during team workouts. "It's fun for the players, kind of relaxing," Lener said.

Crawford said his team practiced penalty shots earlier in the week.

Peter Svoboda, one of the top Czech defensemen, left the game late in the third period with what he said was a re-injury of a sore elbow. He said he hoped he would feel well enough to play in the championship game. When someone asked Svoboda the secret of his team's success, he replied: "Hasek and Jagr."



Robert Reichel, the Czech Republic forward, above, celebrating his match-winning goal in the shootout against Canada on Friday. Below, the Czech goalkeeper Dominik Hasek blocking Brendan Shanahan's shot. The Czechs' 2-1 victory put them in the final against Russia on Sunday.



Fred Chartrand/The Canadian Press

Mike Blake/Reuters

Russia Cracks the Whip at Finland

By Joe Lapointe
New York Times Service

NAGANO, Japan — Several times during this extraordinary performance, Pavel Bure, captain of the Russian hockey team, raced down the ice with the puck on his stick, leading a speeding stream of nine other skaters to the Czech goal line.

It looked like a game of "crack the whip" that children play on skating rinks. All day long, Bure held the whip hand and did much of the cracking. On 10 shots against Finland, Bure scored five goals and almost had a couple more in a 7-4 victory Friday in the second semifinal of the hockey tournament in the Winter Olympic Games in Big Hat arena.

So Bure was in a good mood afterward when he was talking about the brilliant goalie, Dominik Hasek of the Czech Republic, in the gold-medal game Sunday. "Before playing against Hasek, I'm going to read up on the other Hasek, the famous Czech writer, who wrote 'The Good Soldier Švejk,'" Bure said. "I've already read it once." The book, by Jaroslav Hasek, is about a soldier who fought in World War I.

This may have been one of the rare times when a war reference was ironically appropriate in a sports context, because this championship game will

evoke in some the memories of another war in another era.

The Russian-Czech rivalry, one of the best in Olympics hockey history, was at its peak during the Cold War. Four times, between 1968 and 1984, the Russian-based team of the Soviet Union and the nation then known as Czechoslovakia went into their final games in the Olympic tournament with the gold medal at stake, three times playing each other. The Soviets won all four gold medals and the Czechs, who have never won a gold, settled for three silvers and one bronze in this period.

"It's different now," said Aleksei Kasatyanov, the former defenseman for the Russian national team who is now the general manager. "I remember the game in 1984. For us, it was like life and death. Now, it's just a sporting competition, not as political as it was right after 1968."

Although they were technically allies at this time, the Russian-Czech rivalry also included military force in 1968, after the winter when they first jostled for the gold medal. That spring, Soviets sent tanks to Prague, under the authority of the Warsaw Pact, to quell an anti-Communist uprising.

Those who think that current players are ignorant of this history, or that it has no relevance to hockey, should take note

of the number on the broad back of Jaromir Jagr, the best Czech player who is not a goalie. Jagr wears the number '68.' He chose it, he has said in the past, in honor of the politics of that troubled year, four years before his birth.

"Yes, I know this," Kasatyanov said.

This tournament, filled for the first time with National Hockey League stars, was supposed to mark the ascendancy of North American hockey, particularly for Canada and the United States, on the world's biggest sports stage. Instead, Canada faces Finland Saturday for the bronze and the United States is already home, having lost three of four games and having gained a reputation for bar-hopping and vandalism in the athletes' village.

"In Europe, we have excellent hockey," said Vladimir Yurzinov, coach of the Russian team. "Hopefully, now, no one will look down on us."

Bure said of Hasek, "By now, he is probably the best goalkeeper in the world."

Bure scored the first three goals, two on breakaways, taking advantage of turnovers. The Finns came back to tie it at 3-3 and again at 4-4 before Russia pulled away. Bure scored the last two, the final into an empty net after Finland pulled its goalie.

Party Breaks Out in Prague After Czechs Beat Favorite

The Associated Press

PRAGUE — Drivers honked their horns, strangers hugged each other, and even the country's hospitalized president, Vaclav Havel, was among the happy roosters as the Czech Republic stunned Canada on Friday in the Olympic ice hockey semifinal.

Hundreds of mostly young fans and students converged on Prague's Wenceslas Square, waving flags and shouting the names of their heroes who helped pull off the 2-1 victory in a shoot-out.

Financial markets came to a standstill during the game while traders were glued to their TV screens.

As the live broadcast from Japan started Friday morning, Havel was being examined by doctors following throat surgery on Wednesday. Nonetheless, Havel's aides said, the president's interest was intense.

"He insisted on being informed all the time," said his spokesman, Ladislav

lav Spacek, who watched the game in Havel's hospital room.

"He even managed to watch some of the game's last period, and he is sending a telegram to the players right now," Spacek added.

"Hassan," the nickname of Dominik Hasek, the Czech goalie who shut out the Canadians in the final shoot-out, was on everybody's lips.

"Hasan did it for all of us — we made it!" said Patrik Skara, a 17-year-old student who skipped school to watch the game and celebrate.

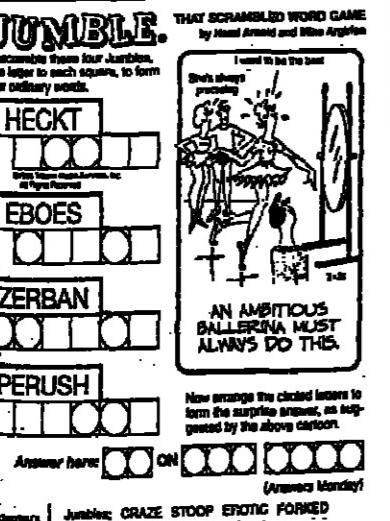
Many others shouted "Hasek to the Castle" — a traditional joke by which fans suggest their sports stars could even handle the president's job.

"All we have to do now is to beat Russia in the final and show the world we are the best," Skara said, even before the result of the Russia-Finland semifinal was known. "But even if we don't, this is the game I will always remember."

DENNIS THE MENACE



JUMBLE



EDUCATION

Appears every Monday in The International. To advertise contact Sarah Wiershof in our London office: Tel: +44 171 420 0326 Fax: +44 171 420 0338 or your nearest IHT office or representative.

PEANUTS



GARFIELD



BEETLE BAILEY



CALVIN AND HOBBES



WIZARD OF ID



NON SEQUITUR



DOONESBURY



INTERNATIONAL Herald Tribune

WINTER OLYMPICS

SATURDAY-SUNDAY, FEBRUARY 21-22, 1998

Eric Draper/The Associated Press
Tara Lipinski feeling the thrill after completing her winning routine Friday.

Figure Skating May Be Lovely, But That Doesn't Make It Sport

By Michael Wilbon
Washington Post Service

NAGANO, Japan — I ended my Official Winter Olympics Figure Skating Boycott when, against every macho instinct in my body, I went inside the White Ring to watch the women's short program. It is my civic duty to trash figure skating. Somebody's got to do it.

Figure skating isn't a sport.

It's a spectacle, it's competitive as heck, the men and women who devote their lives to it are more creative and athletic than many,

VANTAGE POINT

many world-class athletes. And so is your prima ballerina, but that doesn't make ballet a sport, does it? High TV ratings don't make something a sport, if they did Jerry Seinfeld would be Michael Jordan.

Anything solely dependent on judging is not a sport. Anything where the performers have as much use for a choreographer as a coach isn't a sport. Anything that uses the word "costume" instead of the word "uniform" isn't a sport. Any time a man can be awarded a gold medal when he's dressed like a butterfly or looks like a dinner mint (there, I said it) isn't a sport.

Any time another medalist can compete with what look like kitchen sheers hanging from his armpits, it ain't a sport. (Did you see that Russian guy who wore that black-and-white splotched shirt underneath that yellow vest? It looked like a taxi splattered a cow.)

Any time your coach wears a fur coat, it isn't a sport; if your coach looks more like Lana Turner than Novi Turner, it can't be a sport. Any time people throw flowers at you after

your performance, it's not a sport.

Hats, fine. Batteries from the right field bleachers, fine. Even octopuses, fine. Roses? I don't think so. And anything that's been largely decided even before the performance takes place sure as heck isn't a sport.

I was shocked to find out at the beginning of these games that in figure skating, the judges not only watch practice but take into account what happened in practice when judging the actual live performances! These twists go in and penalize folks for missing jumps or falling or being sick in practice!

Do you realize that the judges have this technique called "leaving room," which by definition penalizes the first eight or nine competitors to skate? Since they don't know what the say, 25th skater will look like they "leave room" just in case he's the best of the lot. Excuse me, but why the heck do you need to leave room for something you haven't seen if you go to practice every day?

Do you know what group is lobbying to be made an Olympic sport? Bridge. I kid you not. Bridge. Are we going to soon hear, "And the gold medalist in pinochle is . . ."

Rule No. 1: If you don't compete directly against an opponent or a clock, it's not a sport.

Just have figure skating competitions, world championships even, at a designated time of year and have one of those choreographers come up with a sequined statuette for the winners. People will watch like crazy.

Allison Mleczko, a forward on the gold-medal winning U.S. women's hockey team and the first left wing I've ever had a crush on, said she began her life on skates not as a hockey player, but as a figure skater. But one day it dawned on her, "It's time to trade in the little white tutu for a hockey stick." Amen.

A Brilliant Silver Performance by Kwan

"I Had a Few Problems in My Jumps," Says Runner-Up, Who Lost on Technical Marks

By Jere Longman
New York Times Service

NAGANO, Japan — Tara Lipinski won the figure skating gold medal Friday because she was faster, more aggressive and more exuberant in her skating than her chief rival, Michelle Kwan.

Six of the nine judges placed Lipinski first.

A disappointed but gracious Kwan took the silver medal after a deliberate free skate in which the joy that had previously shown on her face lapsed into seriousness and timidity.

Lipinski is the smallest American Olympian at 4-foot-10-inches (1.47 meters), 82 pounds (37 kilograms), but she consumes the ice with the sheer delight of performing.

Even when Kwan won eight of nine judges in Wednesday's short program, Lipinski remained convinced that she could win the free skate Friday night, which counted for two-thirds of the scoring.

Kwan, the 1996 world champion, had defeated Lipinski twice this season — once at the national championships in Philadelphia last month, when she had a look of reverie as she skated to "Angel's Song" by William Alywn.

She had talked of angels and

clouds, of floating over the ice. But Friday, skating first among the contenders, she appeared deliberate and circumspect.

"I think in Philadelphia I was more free, I was flying," said Kwan. "Tonight I was more cautious. I enjoyed my performance, but it seemed like I was in my own world, like I didn't open up and let it go."

She wobbled out of a triple flip then landed uncertainly on a triple loop. She grew more confident as her four-minute routine progressed, but when she finished, the judges left room for Lipinski.

Kwan received all 5.9s for presentation, but her technical marks ranged from 5.7 to 5.8. A clean, more challenging performance by Lipinski could beat her.

"I had a few problems in my jumps, but I fought through it," Kwan said. "I did everything. I almost pinched myself. I thought, 'Wow, this is great.'"

Kwan did not watch Lipinski perform. Instead, she met her mother at White Ring arena, and the slightest of doubts lingered in her mind.

"I was thinking, 'Am I going to win, or am I going to be second?'" Kwan said.

When she heard Lipinski's marks

— all 5.8s and 5.9s for technique and

artistry — she knew she had won the silver medal, not the gold.

While Susan Johnson, the American judge, voted for Kwan, the judges from Australia, Hungary, Austria, Russia, Ukraine and France voted for Lipinski. International judges seem to score Lipinski more favorably than American judges, apparently feeling that speed, magnificent jumping and jubilant skating are as valuable as dramatic presentation.

Lipinski beat Kwan on eight of the nine technical marks and matched her on four artistic marks.

Kwan's performance probably would have won any previous Olympics. But Lipinski had markedly improved her artistry over the summer by touring and practicing in front of a mirror. Now she felt her music, instead of simply skating to it. And her jumps were more demanding than Kwan's.

Skating second to last, Lipinski admitted some inevitable nervousness when she took the ice.

"Some thoughts creep in, but you push it away," Lipinski said. "You have to think, 'I want it,' and not let anything get in the way."

Lipinski opened by landing her quick, tight double Axel and assertively performed the triple flip that had left her sprawled on the ice in the short program at the national champion-

ships. Kwan, who aggravated a stress fracture of the second toe in her left foot last fall, had not been able to rehearse a triple-triple combination this season.

Lipinski performed two of them Friday, and when she flawlessly discharged her trademark triple-loop-triple loop, her face lit up like a Christmas tree.

"When the music came on and I knew I was at the Olympics and I was skating great, it all came out," she said. "I didn't think about winning. I didn't think about beating anyone. I just went out and said, I don't want to come off the ice disappointed."

After the first 45 seconds of Lipinski's celebratory performance to music from the movie "The Rainbow," the president of the United States Figure Skating Association said he stopped breathing.

Oksana Baiul of Ukraine had won the 1994 Winter Games with three triple jumps. Lipinski landed seven Friday night with triumphant determination.

"There was something different, like fire coming out her eyes," Moni Stillwell, president of the U.S. figure-skating association said of Lipinski. "She intended to win. Michelle skated beautifully. It was a take-no-prisoners competition."

Doug Mills/The Associated Press
Michelle Kwan performing the routine that got her a silver medal.

Germany Leads In Rainy Race

By Darren Samuelsohn
New York Times Service

IZUNA KOGEN, Japan — A cold, driving rain kicked in midway through the first heat of the four-man bobsled Friday, cutting short the day's schedule.

Instead of running two heats, the jury decided to cancel the second and reduce the event from four runs to three. The final two runs will be raced as scheduled Saturday, when sunshine is forecast.

The cancellation is the first since the Grenoble Olympics of 1968, when organizers had to cut the competition to

BODSLED

two heats after a sudden thaw. Although medals here will be awarded on the basis of three runs, according to bobsled rules, two heats are all that's necessary.

This is the second unusual turn for the bobsled competition at these Games. Earlier in the week in the two-man event, Italy and Canada tied for first on identical aggregate times for four heats and were awarded dual gold medals. The last time two teams finished in a dead heat was also in 1968, but in those Olympics the rules handed the gold to the team with the lowest time in a single heat.

Germany 2, driven by Christoph Langer, led after the only run Friday. Britain 1 was second.

Britain 1, which was driven by Sean Olsson, set a course starting record of 4.83 seconds that was equaled by the American sled steered by Brian Shimer and later broken by Germany 1.

Olsson's team set a high standard, finishing in 52.77 seconds. That wasn't

David Phillip/The Associated Press
The U.S. four-man bobsled team sprinting into the start of its heat Friday.

topped until the ninth sled, when Langer broke the start record with a 4.78-second effort. The German sled went on to set a course record, finishing in 52.70 seconds. Britain 1 was 7 hundredths of a

second behind and Sweden 2 was third, 18 hundredths back.

Water accumulated inside the track and made the course choppy for teams racing later in the first heat.

The logic of the decision, apparently,

TV's Scripting Is Killing Olympic Thrills

In America/IAN THOMSEN

BOSTON — The two-dimensional Olympics have been disappointing.

Three-dimensionally, for those competing in Japan or roaming in and out of the fine clean arenas to watch, they have probably been wondrous. But on American television, these last Winter Olympics of the millennium have had all the impact of a Hollywood B movie. Much of the blame sits with the producers of American television.

Altogether, it has been like one of those productions that names five or six screenwriters in the opening credits and then turns out to have no plot. Indeed, it must be an American disease — to spend \$375 million on a classic event, as CBS, the U.S. network, did to possess the exclusive American rights to the Nagano Olympics — only to remove the elements of the story that might have made it interesting.

This is not about CBS in particular. All of the American networks have committed the same crime. These Olympics produced lower-than-expected ratings and free commercial time for advertisers who were not delivered the promised audience. But that is the least of the problems that leave you wondering about the future of the Olympic movement, whose destiny is tied to American television and sponsors.

The real problem is one of hoarding. Last week, for example, a tremendous story blared from the mountaintop at Picabo Street, America's most dynamic skier, won the Super-G gold medal.

Rather than hurry her Olympic victory onto the air where good news be longs, CBS hid her race from public view for almost 24 hours.

The logic of the decision, apparently,

is that it allowed CBS to retain exclusive rights to the pictures. Competing networks were prevented from showing highlights of Street's victory for those 24 hours. Scrooge would have understood.

In the reality of the day after, however, when the race finally was televised, no one was all that interested in seeing Picabo Street. Everyone had already read about her in the morning papers.

What a revelation these Olympics have been for newspapers. CBS spent all that money, and on three big stories — Street, the victory of Hermann Maier a few days after his shot-out-of-a-canonical crash in the downhill and the gold-medal triumph of the Japanese ski-jumping team — the network was scooped by the newspapers. Did anyone believe this was possible anymore?

CBS sends thousands of employees to Japan, covers every venue with more surveillance cameras than you'll find in the richest bank, and by the time they get around to showing the best stories, I already know what's happened because I read about it in a stone-age medium.

For the kind of money CBS pays, the network needs to pull in huge audiences. At the same time, the U.S. networks have this feeling that the Americans audience doesn't want to know about the Japanese ski jumpers or the alpine champion from Austria. The networks have to be explained to the American audience and spelled out. The universal elements are elaborated and circled and underlined. In the end, what you have is the Hollywood treatment of a Hemingway novel.

CBS has presented the Olympics

beautifully in its live coverage. In the Olympics, suspense builds naturally. Because opportunities for a gold medal are so rare and valuable, the best Olympic competitions become displays of human nature boiled down to the elements. You don't need some kind of director with a megaphone manipulating it.

Because of the difference in time zones and the postponements of many outdoor events, CBS had no choice but to broadcast a lot of events after the fact. But in other cases it ignored the opportunity to go with a live, potentially dramatic event, to see it through and dare the audience to stay up late watching.

I'm sure there are all sorts of reasons for this kind of behavior — demographics, market research, ratings sweeps. But I also know this: Sports around the world are driven by television because live sports and news are the only events that draw large international audiences. The key is live coverage. Once the result is known, forget about it.

The Olympics, alarmingly, are being taken in the direct opposite path. The American networks want the appearance of being in full, scripted control of the events, when instead it would be much more attractive if they were struggling breathlessly to keep up, to put out events live, when they really mean something.

For a new generation of American sports fans being raised on live, dramatic, disposable television — click-clicking from one channel to the next — today's version of the Olympics probably seems irrelevant, if not dull.

Ian Thomsen is a senior writer for Sports Illustrated magazine

Italian Mal
It Look So
Games 3 Golds for C

APNE SKIING

NYMPIC SCOR

MEDALS

ENTRY STANDINGS

WINNERS

BOBBING

SLALOM

POLE VAULT

SHOT PUT

DISCUS

POLE VAULT

SUNDAY, FEBRUARY 21-22, 1998

by Kwan

on Technical Marks

ships. Kwan, who aggravated a fracture of the second toe in her foot last fall, had not been able to rehearse a triple-triple combination this season.

Lipinski performed two of the charged her trademark triple-triple jumps, her face in up like a mask.

When the music came on and I knew it was at the Olympic and I was skating great, it all came out, she said. I didn't think about winning, I just went out and said, I don't care if I come off the ice disappointed.

After the first 45 seconds of Lipinski's celebratory performance from the movie "The Day," the president of the U.S. Figure Skating Association said of Lipinski: She intended to win. She skated beautifully. It was like a prescenes competition.

Italian Makes It Look So Easy

3 Games, 3 Golds for Compagnoni

By Christopher Clarey
New York Times Service

NAGANO, Japan — A dark-haired, charismatic Italian Alpine skier who trains alone and is more popular at home than any other athlete won another Olympic gold Friday.

Alberto Tomba? Think again: Tomba did not even finish his first race Thursday. The Italian champion in question is Deborah Compagnoni, the 27-year-old who

has become as integral a part of Olympic lore as her older, more flamboyant countryman.

With her crushing victory in Friday's giant slalom in wet and difficult conditions on Mount Higashidate, Compagnoni became the first skier — woman or man — to win Alpine golds in three different Olympics. This was her second consecutive gold in the Olympic giant slalom.

"I don't know why I always win the big races," Compagnoni said. "I think maybe it's because I am calm. That is my character, and I plan the whole season for the most important event. I know how to make priorities."

Alexandra Meissnitzer of Austria took the silver with a combined time that was 1.81 seconds behind the Italian's winning total of 2 minutes

50.50 seconds; Kaja Seizinger of Germany won the bronze in 2:52.61 for her third medal of these Games.

Compagnoni won the super-G in 1992 and the giant slalom in 1994 and 1998, and though the two-year gap between the Albertville Games and Lillehammer Games certainly made her streak more accessible than for some of her predecessors, Compagnoni has had to overcome plenty of handicaps.

She has undergone four operations on her knees and another for an intestinal blockage that was endangering her life. She also has had a serious kidney infection.

She can no longer put her knees through a standard training regimen, but what she can do is handle pressure and steep, technically difficult slopes with stunning facility.

The race Friday was the latest example. While other skiers were struggling to find their edges and rhythm, particularly in the tough bottom half of the first and second courses, Compagnoni maintained her speed and fluidity despite occasionally poor visibility.

At the end of the first run, she led Sophie LeFranc of France by nearly one second. Her German rivals, Hilde Gerg and Martina Ertl, were even further back after struggling in the conditions. By the time Compagnoni launched herself down the course in the second run, all she needed

was a respectable effort to win the gold. She came up with a much better run than that, and in the end, her margin of victory was the biggest in the Olympic giant slalom since Nancy Greene of Canada won by 2.64 seconds in 1968.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two



Deborah Compagnoni on her way to becoming the first person to win Alpine golds in three different Olympics.

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

This victory was considerably less emotional. Instead, it was simply historic.

"I was tired by the end, but that second run was really beautiful," said Compagnoni, who lost the gold in Thursday's slalom to Gerg by six-hundredths of a second.

The giant slalom is now Compagnoni's signature event. She won nine straight races in the discipline before

Ertl put an end to her streak last month.

In 1992, she tore ligaments in her left knee in the giant slalom the day after she won the super-G in Albertville, letting out a scream that made her more famous in Italy than her medal. Two

years later, after winning in Lillehammer, she cried for her friend Ulrike Maier, the Austrian skier who had died in a downhill crash shortly before the Olympics.

PA
F
DAVE BARRY**The Sky Is Falling**

Miami — Recently, while visiting New York City (Civic Moto: "I Got Yer Civic Moto Right Here"), I saw an alarming article in The New York Times, which is a newspaper up there, stating that large chunks of masonry were falling off some of the older buildings. As bad luck would have it in such a crowded city, several of these chunks, tragically, failed to land on George Steinbrenner.

The Times article quoted experts as saying that the solution to the falling-chunks problem was to inspect old buildings. That is the stupidest thing I ever heard. Inspections are not the answer. With falling chunks, as with so many problems afflicting modern urban society, the only lasting solution is to identify, and correct, the "root cause" of the problem. And that cause is: gravity.

I have been following this issue for many years, and in my opinion, gravity is getting worse than ever. For example, last year several hundred alert readers sent me articles from various publications concerning an incident in the Sea of Japan wherein a Japanese fishing boat was allegedly sunk by a falling cow. Yes. According to these articles, which I swear I am not making up, what apparently happened was that the crew of a Russian military cargo jet had stolen some cows in Siberia and were flying them home when the cows became upset, perhaps because there was no in-flight movie.

So the cows stamped, and the crew, fearing that the plane would crash, opened the cargo door and let the cows run out of the plane at an altitude of 30,000 feet, which is somewhat in excess of the Recommended Safe Falling Distance for Cows of 1.3 inches. So you had these cows raining down on the Sea of Japan, and one of them, unfortunately, failed to land on George Steinbrenner. But it did allegedly strike the Japanese fishing boat, which sank. The fishermen all survived, although I am betting that they had an unpleasant talk with their insurance agent.

I don't know about you, but when I read about a tragedy like this, the phrase that comes into my mind is "major motion picture." I'm thinking of something along the lines of "Titanic." You'd have a pair of star-crossed Japanese fishpersons, played by Kate Winslet and Leonardo DiCaprio, and just when you think they're going to overcome the obstacles facing them, they hear, in the distance, the chilling sound that mariners throughout the ages have always feared most of all — "moo" — and then WHAM, the boat is struck by a hurtling Hereford. For the remaining 125 minutes of the movie, the lovers float romantically around on the wreckage as Leonardo proclaims his undying love for Kate and tenderly brushes chunks of brisket from her hair.

But getting back to the worsening gravity problem: I wish I could tell you that it is limited to cows. But unfortunately I cannot, not in light of an article from the Aug. 27, 1997, issue of *The Calvert County (Maryland) Recorder*, sent in by alert reader Janice Rohme. This article states that on Aug. 25, Gloria Daniels, 68, of Lusby, Maryland, was working in her garden with a young neighbor boy when she was hit by a falling tomato. Then the boy was hit by a tomato. Then tomatoes — more than 30 of them — began raining down all over her yard. Friends, neighbors and the media were called in to investigate, but nobody could figure out where the tomatoes were coming from. Rob Terry, the reporter who wrote the story for *The Recorder*, states that, while on the scene, he personally was struck by a tomato, and although he quickly investigated, he could find no evidence that it was hurled by pranksters.

I called Gloria Daniels recently and asked her if anybody had come up with an explanation for the falling tomatoes, and she said nobody had. I asked her if she had been in touch with anybody at "The X-Files," and she said she'd never heard of it. This is a shame, if you ask me, because this incident could be the basis for a terrific episode. Of course, they might have to alter a few facts slightly. They'd have some scene in an abandoned warehouse, wherein agents Scully and Mulder, their faces tense, their guns held out in front of them, are going from darkened room to darkened room, stalking — and being stalked by — a mutant bloodsucking zucchini the size of Shaquille O'Neal.

But my central point is that, wherever these tomatoes were coming from, they would never have represented a threat to innocent people, and neither would the cows, and neither would the New York building chunks, if they had not been attracted to the earth by gravity. FACT: Gravity is a contributing factor in nearly 73 percent of all accidents involving falling objects. And yet the so-called "federal government" does nothing! So I guess it's up to you and me. Me, I'm going to lie down.

© 1998, The Miami Herald.
Distributed by Tribune Media Services, Inc.

The 'root cause' of the problem is: gravity.By Mary Blume
International Herald Tribune

PARIS — The traditional lonely howl of the accordion in the corridors of the Metro has been augmented in recent years by a cacophony of electric guitars, African drums, Peruvian pipes and chamber music groups playing rock, ethnic music and, in the classier sites, the inevitable Canon of Pachelbel.

Although it was all out of hand and, in the strictest terms, illegal in the image-conscious Metro authority, the RATP, amiably decided not to eject the musicians but in effect to join them. For the past year they have auditioned would-be Metro musicians and issued ID badges to those authorized to play.

The auditions are held twice yearly in what is called the musicians' boutique near the Charnonne station (the next audition is in April) and candidates are filmed on video. "We don't judge from an academic point of view, it's not an exam to get into the Conservatoire," said Adorio Nunes, who heads the program although his full-time job is in the anti-fraud division.

"For one thing, I am not alone. I always have RATP employees with me, including two from actual stations. We put ourselves in the public's shoes — does it irritate me? Shock me? Is it too loud? Are they well-behaved? That's what we judge, not whether they are playing the accordion or the castanets. Is it pleasant or not, that is the first criterion."

Successful candidates must agree to buy a ticket if they play within the subway's precincts. They must be decently dressed, and cannot be accompanied by children or dogs or powerful amplifiers. They are then issued a badge with their photo and the RATP logo and set free to let the music play.

"Since the badge has no legal value, all we can do is if someone doesn't obey the rules is refuse to renew the badge. That's very rare.

The badge gives them a sense of responsibility, almost as if they were part of the subway personnel." The police, Nunes says, ob-

ligingly look the other way and he himself makes spot checks to see if anyone is playing too loud or selling cassettes or hassling straphangers, in which case they are quietly ejected.

So far it is working. And if musicians illegally have a hat or empty violin case to collect coins this again is tolerated within limits.

"They can't actually ask for money. We know perfectly well that some of them get money and even make a living from it but we cannot stop people from giving if they wish. We want everyone to be happy. If the traveler is happy and the musician is happy, we are happy. We are there to solve problems, not to create them."

There are about 300 badge musicians as well as a complement of intruders, usually, Nunes says, violinists from East European countries. "We don't want to be too hard on them because a lot of them don't have papers and we are not the police. We escort them out, knowing perfectly well they'll be back 15 minutes later."

The musicians are not allowed to play on subway platforms or in the trains, partly for security reasons (they might drown out warning whistles). "Studies show that 70 percent of the public are happy having musicians in the stations but 70 percent are against having them on the platforms or in subway cars. If you're in an open space you can avoid them if you like, in a car you are a prisoner. The network is big enough for everyone to find a place in corridors or near entrances."

Until the introduction of the badge musicians skirmished for the best stations. "With the badges they lose their anonymity and they know they'll lose their right to play if they engage in fistfights." That morning in the boutique some of the musicians who had dropped by for a free coffee were as mannerly and tidy as MBA candidates.

There are nearly 400 Metro stops, many of them bereft of musicians who head for the most touristic or commercial stations. The Number 1 Metro line is the most sought after. Nunes says they po-

sition themselves on their own according to the sort of music they play: at Auber, a Metro stop near the Opera there might be classical music, while at Charnonne, populated by immigrants, African drums are big.

Latin American music, Nunes finds, sounds good and energetic. Rap doesn't seem to "sound" kind of music I wouldn't like to hear in the Metro. I would gladly go to a Bruce Springsteen concert but I wouldn't want to hear him in the Metro."

At the auditions there are usually about 150 applicants for 50 new places. "Obviously if we already have 150 accordions we are likely to give a place to a harpist because we have only three." They also have three groups of a cappella singers.

The encouragement of musicians is part of a longtime RATP effort to seem less police-and-uniform-oriented and to become what Nunes calls "plus cool." If the public's reaction has been positive, RATP personnel, Nunes says, are very mixed. "The person stuck in a ticket booth can't stand listening to it all day, the others find it gives the Metro a soul." The solution is a rule stating that musicians must move on if employees so request.

In time, Nunes imagines building special sites for musicians outside the stations. Unexpected bonuses from encouraging musicians while controlling them have been requests from the public for groups to play at private parties and invitations to appear at municipal fetes. The RATP had 20 groups at Metro stations during last year's midsummer night's annual Fete de la Musique and an album of RATP music has even been suggested. "I'm open to all ideas but I don't want to go too far, it's not my job," Nunes said.

"It started as a humanitarian scheme, then we saw it's not just a question of people in need but that there is also a real artistic potential."

In fact the whole thing could reach operatic proportions, but Nunes rather hopes not. "I have only one assistant. I don't want it to go too far, I don't really want to be an impresario," he said.



Tomatoes were raining down all over her yard.

while on the scene, he personally was struck by a tomato, and although he quickly investigated, he could find no evidence that it was hurled by pranksters.

I called Gloria Daniels recently and asked her if anybody had come up with an explanation for the falling tomatoes, and she said nobody had. I asked her if she had been in touch with anybody at "The X-Files," and she said she'd never heard of it. This is a shame, if you ask me, because this incident could be the basis for a terrific episode. Of course, they might have to alter a few facts slightly. They'd have some scene in an abandoned warehouse, wherein agents Scully and Mulder, their faces tense, their guns held out in front of them, are going from darkened room to darkened room, stalking — and being stalked by — a mutant bloodsucking zucchini the size of Shaquille O'Neal.

But my central point is that, wherever these tomatoes were coming from, they would never have represented a threat to innocent people, and neither would the cows, and neither would the New York building chunks, if they had not been attracted to the earth by gravity. FACT: Gravity is a contributing factor in nearly 73 percent of all accidents involving falling objects. And yet the so-called "federal government" does nothing! So I guess it's up to you and me. Me, I'm going to lie down.

A FILMMAKER who unsuccessfully sued the makers of "Twister" for copyright infringement received a bill for about \$1.2 million from their lawyers.

Lawyers for Michael Crichton, Steven Spielberg and other Hollywood heavyweights filed the bill in U.S. District Court in St. Louis, Missouri. They argued that the lawsuit brought by Stephen Kessler was unreasonable, if not frivolous. In his lawsuit, Kessler accused Crichton and Spielberg of stealing his screenplay, "Catch the Wind," to make "Twister." Both stories are about storm chasers. A jury rejected Kessler's claim, and he is seeking a new trial.

Daniel Barenboim has announced that he will remain music director of the Chicago Symphony Orchestra through the 2002-2003 concert season. Under his previous three-year contract, Barenboim was to have conducted the orchestra through its 1999-2000 season. In addition to his position in Chicago, he is artistic

director and general music director of the Deutsche Staatsoper in Berlin.

□

The Museum of Modern Art in New York, which was the first major museum to show Garry Winogrand's work, has acquired the largest collection of his photographs in private hands. The collection's more than 200 black-and-white

A Star for Miles Davis*The Associated Press*

LOS ANGELES — Quincy Jones and Cicely Tyson joined more than 300 people to witness the unveiling of a Hollywood Walk of Fame star honoring the late jazz great Miles Davis.

Davis' star on Hollywood Boulevard lies between those honoring Stevie Wonder and Luis Miguel. Davis died in 1991.

vintage prints had been assembled by Eugene M. Schwartz, a writer, publisher and direct mail-order expert who died in 1995, and his wife, Barbara, avid collectors of contemporary art. Most of the photographs date from the 1950s through the '70s, and all bear the photographer's characteristic off-kilter, gently satiric, graceful style.

The Spanish movie heartthrob Antonio Banderas will make his debut as film director in April with "Crazy in Alabama," starring his wife, Melanie Griffith. Daily Variety said. The film is an adaptation of Mark Childress' novel of the same title.

Graca Machel, the former first lady of Mozambique, has been honored for her lifelong work with child victims of war by the Global Citizens Round Table, an organization of international activists for democracy.

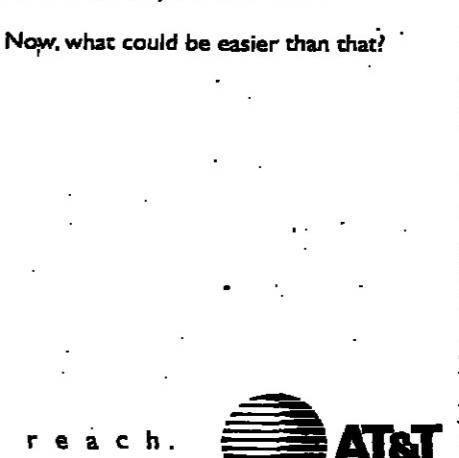


ONCE IN A LIFETIME — Jack Lemmon, left, and Julie Andrews congratulating the director Robert Wise on receiving the American Film Institute's Life Achievement Award in Beverly Hills, California.



It's all within your reach.

To reach the other side of the world the easy way, use **AT&T DIRECT™ SERVICE**. Simply dial the access number for the country you're in and you'll be connected to English-speaking operators and get AT&T's quick, clear connections. Plus, you can use your AT&T Calling Card or any of these major credit cards.



Now, what could be easier than that?

Steps to follow for easy calling worldwide:
1. Just dial the AT&T Access Number for the country you are calling from. 2. Dial the phone number you're calling. 3. Dial your card number.

AT & ACCESS NUMBERS		
Austria 00-022-903-011	Greece 00-800-131-111	Saudi Arabia 00-800-10
Belgium 00-0800-100-101	Ireland 00-1-800-550-000	Spain 900-99-00-11
Czech Republic 00-042-000-101	Israel 00-177-100-2727	Sweden 020-795-611
Egypt (Cairo) 00-010-510-0200	Italy 00-177-101-111	Switzerland 00-0800-99-00-11
France 00-0800-99-0011	Netherlands 00-0800-022-9111	United Kingdom 00-0800-99-00-11
Germany 010-000-010	Russia 00-7-755-5042	United Kingdom 00-0800-99-00-11

For access numbers not listed above call any operator for AT&T Direct™ Service, or visit our Web site at <http://www.att.com/traveler>.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Not all countries permit country-to-country calling outside the U.S. Call rates are subject to change without notice. Call rates are per minute and do not include local call charges. Local calling rates apply to most countries. A limited number of countries require local call payment during the call. *Out-of-area credit card calling charges apply outside Mexico. Toll-free access numbers in the U.S. (1-800-000-0000)

SPORTS 20
Annan
Saddam Expected
S. Reserves
World Cup
Iraqi
AGENDA
Main in Drive-By Show
Serial-Killing Suspect
G...